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AND

Statistical Register.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. JULY, 1850. No. I.

THE CAUSES OF COMMERCIAL CRISES.

BY A BOSTON CASHIER.

Causes of Commercial Embarrassments; Speculations; California Trade; Money Market, &c.

IT is a notable fact, in the history of mercantile life, in the United States, that of the number who engage in it full seven tenths fail from one to three times.

It would be well, doubtless, if political economists could by any labor of study and research point to the true cause of so great an evil; for although it may be averred that no experience of the past, however disastrous or prejudicial it may have proved to mercantile honor and credit, will deter all who have not themselves been the victims of ill-judged speculations from falling into similar errors, in their eager pursuit after wealth, yet, if any number, however small, could be taught thereby to avoid the quicksands of trade, much good would result to the community.

Whether it is true of all or not it may be difficult to determine, yet, in respect to not a few of the bankruptcies in this country, it would probably be found upon investigation of the subject that they are oftentimes the result of a predetermination on the part of bankrupts to hazard property and reputation for the possible chance of being able to jump at a single leap from poverty to extreme wealth.

The existence of a speculative spirit, however slight at first, is always dangerous to a commercial community, because it is contagious. Whenever, by any sudden change in political or commercial affairs, some par-

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ticular article of commerce is supposed to be affected, as for instance, by the insufficiency of supply to the probable prospective demand, all eyes are opened, and the article is bought and sold with the greatest avidity; the price, from a small per cent. profit upon first cost, goes on increasing, till it not unfrequently is held at three times its value under any supposable contingency.

Of course every thing must have an end. It is plain, therefore, that so long as speculation is tolerated by the mercantile classes, the seller, as well as the buyer, must, as a necessary consequence, share to some extent in the general ruin that every sudden and unnatural commercial excitement is sure to bring with it.

It would be well for all classes, if men, while pursuing their different callings, could be made satisfied with the highly beneficial results which seldom fail to reward constant and patient labor bestowed in its legitimate channels. The English might teach us Americans a wholesome lesson upon this head. It seldom happens that an English merchant, tradesman, or banker abandons his rightful trade or calling to engage in any thing like doubtful speculation. True, the time was when half the population of Great Britain were engaged in buying and selling the South Sea Bubble; and, no farther back than 1846, such was the *furor* for railway shares, pervading the minds of lords, commoners, and the mass, that all other methods of permanent investment began to be overlooked. But the moment the scene changed and the prospect of loss began to stare them in the face, they began to feel the force of the old and quaint proverb, "that the cobbler should not go beyond his last." The speculation was immediately abandoned. Failures in business, however, among the mercantile and trading classes, in the United States, at the present time, are not of frequent occurrence, and, happily, during the period of the past four or five years, there has been less disaster attending the few cases of bankruptcy that have been made public, than formerly characterized those of a similar class.

The spirit of speculation has been less rife, and there has existed, evidently, in the minds of the leading men of the commercial community, a firm and resolute determination to discountenance, as far as it has been in their power, violations of the laws of mercantile faith and honor. But it is not to be supposed that we live at a period when there is no danger at all of another commercial revulsion. The elements of distrust would be quickly moved on the first approach of danger. That, therefore, there is some little reason to heed the cautions of the alarmist, let us not deny. The continued scarcity of money for a period of more than two years, the high rates of interest it has commanded, and the immense losses that have occurred from investments in railroads, cannot fail, sooner or later, to be felt. It is the last straw that breaks the camel's back.

But in seeking for present causes, if any exist, of embarrassments and failures in the commercial world, it is unnecessary to travel far backwards. The past will take care of itself. We have just commenced a new era in the commercial history of the United States. The fresh impetus that has but recently been given to business as the result of a

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demand for almost every namable commodity in the catalogue of trade, has yet scarcely abated. A statement of the aggregate cost of all the goods and merchandise that have been shipped to California, would scarcely be credited. The great bulk of all those shipments are still afloat, or, in mercantile parlance, *in transitu.* What, then, will be the result upon that far distant market, when they come to be thrown upon it, piled bale upon bale, and box upon box, it is not difficult, we apprehend, to foresee. That a few, more shrewd than the rest, having their own agents on the spot with ample cash means in hand, and ready and willing to take advantage of others' misfortunes, will accumulate large fortunes, no one will doubt; but will not ruinous loss be the lot and portion of those who have sent their property, paying exorbitant freights, to the merciless care of commission merchants? Aside from the losses that must result from the diminution in market value, occasioned by an overstock, there will be still a further diminution growing out of rapid depreciation in quality for the want of proper care and sufficient storage, before sales can be effected at all. We trust that we shall not in any wise interrupt the golden dreams of those who have cast their bread upon the California waters. Still, in pursuing the subject further, conviction is brought to our mind that not a little mischief will grow out of this sort of speculation; and many will have cause to regret the hour when they abandoned a legitimate business to embark in the "California trade," as it is called. Many are at this moment predicting a sudden relief to the monetary affairs of the country. They predicate their opinions mainly upon what they assume to be two important facts. First, the inclination that is manifesting itself in mercantile transactions to curtail, thus lessening the prospective demand for cash capital; and, secondly, the very large amounts of gold dust that have already been and will shortly be received from California, in return for shipments from the Atlantic States. The first, doubtless, may be regarded as somewhat favorable. There are unmistakable signs of an increasing determination on the part of judicious men to discountenance over-trading, and also, if possible, to check in its earliest inception every thing that in the least betokens the spirit of speculation.

This, of itself, if there were not at work unusual causes to continue the drains upon the money markets of the country, would, in due time, correct the evils under which we have so long labored, growing out of a scarcity of actual cash capital. But it should not be overlooked that, so far as the New England States are concerned, business to an extent hitherto unknown is done upon borrowed capital. Nor should we disguise the fact, that considerable sums that now serve to swell the overflowing coffers of the government have been borrowed from abroad. — Her cumbrous machinery has worked, apparently, with infinite power and grandeur, and, doubtless, in a manner to surprise other nations as well as our own; but this has been accomplished in no other way than by the facility with which her agents, with government bonds, for which the faith of the government itself was pledged, have been enabled to command the purse-strings of the rich capitalists of England and France.

Loans of this nature, like those of any other class or description,

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however, whether owing by governments or corporations, run to maturity sooner or later, and must be provided for and paid. If money, therefore, becomes again at all abundant, there is a remote possibility that it may be taken for the purpose of liquidating foreign debts. This, of course, would prevent the long continuance of any such rare phenomenon as a redundancy at home. — But let us in good sober earnest suppose that, by some such accident as a serious misunderstanding on the part of our government with the government of some other nation, war is threatened. What would be the effect of such a prospect in the political horoscope of the country upon the sensitive nerves of foreign creditors? Is it not more than probable that agents would be despatched to our shores by every successive steamer, with their pockets stuffed full of government scrip, and under positive orders to realize at all events? Would not thousands and millions be wanted to satisfy the demands thus suddenly created, before the excitement could be allayed? And yet this is by no means an impossible contingency.

There are fewer objections, however, to the second proposition. It is scarcely possible, considered in the most favorable light, that much more than a third of the original cost of those shipments to California that have gone forward since the commencement of the present year, can be realized upon for the period of the next eighteen months. Considerable sums in gold dust will continue to be received from California as the direct results of actual labor in the "placers"; but the aggregate amount from all sources will not probably much exceed the above estimate.

But it is well to regard things in their most favorable aspect. Indications of an improvement in the money market are becoming daily more apparent; and unless a sudden turn be given to the present comparatively healthy state of business throughout the country, by the operation of extraneous causes, there is little doubt that the coming twelve months will be distinguished as a period of considerable commercial prosperity. It would be well, therefore, in view of such a state of things, to watch the progress of affairs, so that, should there spring up a desire for speculation, proper remedies for its cure may be applied before too many have been drawn into the vortex which such a spirit is sure to create.

THE COTTON CULTURE IN INDIA.

From Willmer & Smith's European Times of April 20th.

The law of supply and demand is the leverage which moves the commercial world. When an indispensable article of consumption becomes scarce, the value, as a natural consequence, rises in the market, just as it falls in value when there is a superabundance. Applying this uncontrovertible fact to cotton, you would imagine, to hear certain sapient persons talk, that they desired a bill of indictment against the whole of the Southern planters, because they cannot control the seasons, and furnish abundance of the raw material for all the spindles in the world. These grum-

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blers forget that the grower can no more regulate the price of cotton than he can mete out the sunshine which feeds, or the frost which kills, the plant. The Southerners engaged in the cultivation of the staple might justly retort upon the lords of Cottonopolis in the language of the ancient Briton : — " If Cæsar can hide the sun with a blanket, and put the moon in his pocket, we 'll pay tribute to him for light."

At the same time, when the equilibrium of prices has been destroyed by an unlooked-for casualty, — when exclusive dependence upon a particular country for an essential article of commerce is found to interfere with the legitimate course of capital and labor, — it becomes not only necessary, but imperative, to look elsewhere for a supply fully equal to the requirements of the times, so as to be provided for every contingency ; and in this spirit we can discern nothing to censure, but, on the contrary, much to commend, in the pains which are now taken to procure a supply of cotton from other parts of the world, to compensate for the unquestionable deficiency of the American crop.

Much has been said and written about the capabilities of India to send us as much cotton as we require, and to a certain degree of faith in the capacity of that country may be traced the anxiety with which the public has watched the formation of Indian railways, and the eagerness with which the progress and completion have been regarded. The East India Company has partaken largely of this feeling, and has extended a helping hand to two companies which have taken the field, and for which acts of Parliament were passed at the last session. One of these companies will cut a line from Calcutta to Delhi ; the other a line from Bombay to Kalliar, in the direction of the great cotton-field of Ghauts. These undertakings may be regarded as in practical operation, for the East India Company has guaranteed a dividend on the outlay, which makes their completion a matter of certainty. A third line from Madras to Arcot is also projected ; but whether it will struggle into existence is at present somewhat questionable. Nevertheless, grave doubts exist whether the best internal communication in the world would enable India to grow cotton in quantities sufficient to affect the price in the home market. At present, India grows little more than is required for its own consumption and the export trade to China ; and as to quality, it is impossible, under any circumstances, that the cotton of India can ever compete with the long staple of America.

Port Natal is also mentioned with encouragement as a cotton-growing district, but the smallness of the population, and the fact that no vessel has ever yet sailed from D'Urban, the only port in the colony, direct to England, shows that a long period must elapse ere its developments can produce tangible results.

The most feasible scheme, of the many which have been broached, is one put forward by the owners of property in British Guiana. The West India Association, in their petitions to Parliament, as well as in their memorial to the Colonial Secretary, make out a strong case on behalf of the West Indies generally, and of Demarara more especially. The labor question is at the bottom of all our West Indian difficulties. Every plan adopted since the emancipation of the black population, to secure a suffi-

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ciency of labor, has failed, and the Association ask, through Mr. F. Sand, their chairman, permission to engage blacks on the coast of Africa, on the plan which the British factories on the River Bonny adopt with the natives of the Kroo coast, — namely, to hire them, say for five years, at the expiration of which they can return, if they desire it, to their native country. In the estimation of many persons, this would be equivalent to a renewal of the slave-trade; but if similar arrangements were permitted in the case of the Coolies, and in the one referred to, — that of the Kroo blacks, — we can see no sufficient reason why precautions might not be taken on the African coast as well as at Demarara, to protect the blacks who might willingly enter into these engagements from the possibility of wrong or injury. To no higher practical end could the naval force which excites Mr. Hutt's antipathy be directed, and under judicious regulation the moral and physical condition of the laborers, instead of being deteriorated, would in reality be improved and elevated by the boon which the West India Association solicit at the hands of government and the country. If the experiment were tried in British Guiana, it might, if successful, be extended to the West India Islands.

In the mean time, the Southern planters of America, stimulated by the prices which now prevail, have every inducement to extend the cultivation of cotton with, if possible, increased power and capital. Probably the next crop may, in its amplitude, compensate for the shortness of the last one, and the outcry which now exists for other fields of cultivation in various quarters of the globe would, in the event of such a result, correspondingly abate. But at the same time they will read the signs which are every day passing around them very imperfectly, if they do not perceive a fixed determination on the part of the merchants and the manufacturers of this country, and its government, to rely less exclusively than heretofore on the cotton of the United States.

THE PUBLIC DEBT OF TEXAS.

From the New York Journal of Commerce, May 15, 1850.

The public debt* of Texas, including interest, on the 1st of January, 1848, was represented by the Comptroller of that State to amount to eleven million dollars and a fraction, as follows: —

Debts which may be considered Domestic.

Treasury Notes,	$ 253,941 00
Audited Drafts,	267,384 40
Eight per cent. Bonds,	809,800 00
Funded Debt,	1,675,800 00
Interest on Liabilities,	2,539,221 21
Unaudited Claims,	1,060,000 00
Total of Domestic Debt,	$ 8,906,146 61

* *See latter part of this No.*

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Foreign.

Due the Bank of the United States, including interest,	$740,000 00
Claimed by James Holford and associates, for the purchase of the steamer "Zavalla," including interest, . .	333,054 90
Claimed by F. Dawson, and others, for the payment of naval vessels, including interest, ...	1,071,000 00
Total of Foreign Debt, ...	2,144,054 90
Total Debt, . . .	$11,050,200 51

Add interest at eight per cent. since the 1st of January, 1848, and we shall find the present debt of Texas to amount very nearly to $ 13,000,000. A large sum for so youthful a State, and yet not large when compared with her resources. These are chiefly her public lands. From the best sources of information, it appears that the whole number of acres comprehended within her limits, including, we suppose, that portion of New Mexico east of the Rio Grande, is 234,936,012; of which, in 1848, there had been disposed of, in various ways, 80,960,294 acres, leaving 163,975,718 still unappropriated. Of these unappropriated lands, 70,000,000, according to the estimate of General Memecum Hunt, of Texas, lie north of Red River and a line drawn due west from its uppermost source to the Rio Grande. The line proposed by the Compromise Committee in the Senate cuts off a still larger slice of the territory claimed by Texas; for, instead of tracing said river to its source, it diverges therefrom at a point where said river crosses the 100th parallel of longitude, and thence takes a nearly southwest direction to a point on the Rio Grande 20 miles north of El Paso del Norte. As nearly as we can judge by looking at the map, the portion of Texas proposed to be detached from her by the Compromise Committee comprises more than one third of her entire area, and more than half of her unappropriated lands, or say 85,000,000, out of 163,975,718 acres. General Hunt, in 1848, proposed to offer to the United States the territory north of Red River, &c., for $ 30,000,000. The Compromise Committee propose no definite sum for the still larger territory contemplated in their bill, but the general impression is, that the blank will be filled with $ 7,000,000 to $ 10,000,000. If the latter sum, it would be about 8½ cents per acre. The Texan government has been accustomed to sell good land at 50 cents an acre; but in a larger upland tract there must of course be much waste land, though probably less than is generally supposed. General Hunt gives the following description of that portion of the territory lying north of Red River: —

"This domain consists mostly of prairie lands, and embraces about nine degrees of longitude and eight of latitude, though there are, it is believed, considerable forests on the uplands and on the margins of most of the streams below, between the Red and Arkansas Rivers; and the principal intermediate streams are numerous, namely, the False Ouachita, South Middle, and North forks of the Canadian River, the Cimarron and Santanda Rivers. The smaller tributary streams, too, are mostly skirted with woodlands. The distance between the Arkansas and Red Rivers, where the boundary of Texas passes from one to the other, is computed at about

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two hundred and fifty miles, and the five principal streams above named, and their branches, most of which it is said furnish very fertile valleys, are fringed with timber in the vicinity and for a considerable distance above where they cross the Texas and United States boundary line."

On the whole, we cannot doubt that the territory proposed by the Compromise Committee to be detached from what is now claimed by Texas is worth, as land, $ 10,000,000, and even more. But if it were worth double that sum, still $ 10,000,000 would be enough for it, in consideration of the fact, that much of it is *disputed* territory, and that it is encumbered by a sort of Indian title, which, however, Texas does not recognize.

Suppose, then, for the sake of argument, that the blank should be filled with $ 10,000,000, and the bill should pass in that shape; what is to be done with the money? The bill says it "shall be first applied to the extinction of any debt for which the duties on imports were pledged," — which duties, in consequence of annexation, have been diverted into the treasury of the United States, — "and the residue thereof in such manner as the said State [Texas] may direct." Besides the extreme difficulty, not to say the utter impossibility, in many cases, of determining what particular bonds were secured by a pledge of the revenue duties, and what were not, it should be remembered that by the annexation resolutions, or compact, to which Texas and the United States alike were parties, it is stipulated that Texas "shall retain all the vacant and unappropriated lands within its limits, *to be applied to the payment of the debts and liabilities of said republic of Texas;* and the residue of the lands, *after discharging said debts and liabilities*, to be disposed of as said State may direct." Now the question is, can the United States, after requiring and stipulating that the public lands of Texas shall first be applied to the payment of her debts, and *only* "the residue" to such other purposes as she may direct, — can the United States now rightfully and properly recede from that position? Can she now restrict the appropriations to a particular class of debts and liabilities, leaving the rest to be paid by Texas, or not, at her pleasure. We know of no reason for doubting the honor of Texas, or her disposition to pay her debts, unless we find it in the fact, that, when she called for an exhibit of all the claims against her, she was particular to have it stated how much *cash* was actually received on each. But be she ever so honest or honorable, there can be no harm in holding her to the original contract, which stipulated that the public lands should first be appropriated to the payment of her debts, without distinction, and then to such other purposes as she might direct.

ANTICIPATIONS OF CALIFORNIA. — EFFECT ON THE FIXED PRICE OF GOLD.

The import of gold from California, whatever may have been the actual product of that extraordinary region, has not equalled the expec-

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tations formed of the quantity of specie which it was expected would have been procured. We have abstained lately from quoting the intelligence received, *via* the United States, of the proceedings at "the diggings," because the accounts were in many respects unsatisfactory, although they all concur in representing the produce of the mines or "diggings" as being of an extraordinary character. It will be useful, however, to keep the subject before our readers; for if one quarter of the specie said to be obtainable in California is really procured, and added to the present stock of gold specie in the world, it will have a most extraordinary effect upon our present system of currency.

A recent article in the *Times* gives an amusing and, at the same time, an accurate *resumé* of the facts which have reached Europe relating to California. Making allowance for the American atmosphere which seems to hang about all the reports from this region of wonders, each arrival of news is more extraordinary than that which precedes it. The discoveries of gold mines, if not of gold, multiply daily. "Placers" and "washings" are brought to light, each successively of greater productiveness than those known before. Large as is the influx of adventurers, the opportunities of the period and the resources of the soil appear to increase in a far more than corresponding ratio. A clew seems at length to have been found to those primary veins of native gold of which the present diggings merely represent the pulverized deposits. Colonel Fremont's estate has yielded a solid bed of gold-stone more than a mile long and upwards of two feet thick. This was the first announcement. Later reports, however, allege that the length of the vein is fully *two leagues*, with an average breadth of 150 feet; and the story is characteristically completed by the statement, that at one end of the mine there is a deposit of native silver calculated to defray all the expenses of machinery and working. So singular a coincidence of provision seems almost peculiar to Transatlantic soil, and is, perhaps, the greatest prodigy of the place; but the town-gossip of San Francisco is full of conclusions scarcely less astonishing. It seems to be now ascertained that this city itself is built of auriferous materials and upon a real placer of gold, so that, to match the living wonders of California, we shall have nothing left but those desirable regions depicted in the "Arabian Nights," where fruit-trees are loaded with the richest porcelain, and stupendous castles are constructed from a single ruby. The results upon the town population are most remarkable. Little boys make their five or six dollars a day by grubbing in the gutters, like the urchins who scramble for half-pence in the mud at Blackwall. One of the revenue officers, being debarred by his duties from the exhilarating air of the public placers, beguiled his confinement by instinctively picking out the *adobes*, or bricks, from the walls of the Custom-House, and found that he had got as good a digging as his neighbours. Large profits are made by sinking wells, and sewers in this favored settlement pay for their own construction five times over. Nor can the rents, perhaps, be any longer considered exorbitant, for a man may pay his landlord with the proceeds of his own bricks and mortar. Yet the discovery is not without its dangers. The possible contingencies are too alarming to be speculated

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upon with calmness; for, if free scope is left to the temptations of these domestic diggings, the honeycombed streets will some day or other collapse and settle, like Troy in its flames, and a dead lake of rubbish will be all that is left of the young emporium of the Pacific.

The difference between the sixteenth and fifteenth centuries, — between the days of Lord Bacon and the days of Warwick the King-maker, — had no doubt resulted from discoveries of the same kind, and of no larger promise than those of California. So productive were the mines of America, that Spanish viceroys did actually ride over a pavement of solid silver, upon mules shod with the same precious metal; and the piles of plate on the sideboards of Castilian grandees were literally reached by silver ladders, in some cases fourteen or fifteen feet high. These are not mere symbolical exaggerations, but plain facts credibly recorded; and yet even such facts were surpassed by the prospects opened in California. Gold was represented as discoverable in quantities hitherto unknown even in the case of silver; and the entire surface of the country was described as equivalent to one of those *bonanzas*, or veins of native metal, for which the miners of Potosi returned public thanksgivings. A whole year has now elapsed since these marvellous sources of wealth have been in full operation, and we are in possession of good materials now for revising the judgment formed at an earlier period.

There is always a twofold direction given to the influence of such discoveries as these. In the present case, the results concerned not only the supply of precious metals, but the colonization of a new and scarcely accessible region. As regards the first of these points, the groundwork of truth has proved really very considerable. Gold is actually found, and doubtless still exists in large quantities, but certain conditions have entirely confirmed the anticipations entertained respecting the practical effects upon the bullion markets of Europe. No appreciable importation has yet taken place, and the value of the standard metal still remains without apparent alteration. Three causes have been alleged in explanation of this anomalous and yet unimpeachable fact, — exaggeration in the reports of the produce, extensive self-consumption on the spot, and want of time to give full effect to the discovery. Considering the subject, the locality, and the national predilections of the parties engaged, we do not think the amplifications of the truth have been hitherto very unpardonable. Almost as much gold has been found as was fairly promised, but it has certainly not made its way to Europe, or, in any remunerative degree, to the United States. The following are some of the most reasonable estimates which we have received upon this point. Setting the number of persons engaged upon the diggings at 80,000, and calculating their average gains at five dollars a day, the result would be a gross produce of twelve million dollars, or about £2,500,000 sterling per month, which, at the end of the year, would represent a total of £30,000,000 worth of gold, — an enormous addition to the present supplies. When we come, however, to facts, we find that, up to the commencement of last November, the actual exportation of gold dust from San Francisco had not averaged more than 500,000 dollars per

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month, or about £100,000 sterling, which would give less than a million and a quarter sterling for the produce of the year. To reconcile these statements we must presume either that five dollars per diem is too large an average gain for 80,000 diggers, or that the consumption on the spot, including private hoards, is so vast as to absorb upwards of nineteen twentieths of the whole produce. Both presumptions would probably be correct, though less weight, we think, is due to the latter than the former. We do not believe that a quantity of gold equivalent to 80,000 sovereigns, or any thing approaching to it, is *daily* extracted from the bowels of the earth throughout the year, and the disproof of such calculation is to be found in the non-appearance of any such produce. It is incredible that £28,000,000 should have been spent or hoarded in California during the last twelve months, though, no doubt, gold dust has been amassed and concealed to a large amount by individual speculators. These hoards, however, must find their way into circulation, and operate upon the currency just as surely, though at less certain intervals than the regular exports; and all that can be said is, that though time enough, considering the quick returns of this speculation, has elapsed for the exemplification of such practices, the contributions from this source have been even more scanty than from any other. According to the estimates, at least one half of those who left England for the diggings last winter ought to have now returned with fortunes. How many have done so?

Turning, however, to the other side of the story, we find far more positive and remarkable results. The probability is, that a sum at least equalling the largest importation ever anticipated *from* California has been despatched *to* it, and has been consumed in introducing this strange province into the community of commercial states. Reckoning the cost of outfits, living, shipping, time, and labor, it has been computed that capital to the amount of £20,000,000 sterling has been exported, during the last twelve months to San Francisco from the United States alone; and as only £6,000,000 sterling has been received, during the same period, in the shape of gold dust, there remains a balance *against* California of £14,000,000 upon the year. But this balance, whatever it may be, has not been wholly ill spent. A powerful impulse has been given to the spirit of enterprise and to many branches of trade. In particular, the discovery has operated with such singular effect on the hitherto impassive races of the Pacific Islands and China, that it can hardly be unreasonable to anticipate a partial extension of the influence even to Japan. No natures seem inaccessible to the charms of gold.

One of the most extraordinary results of the wonderful discovery is the impulse it has given to the enterprise of the Celestial Empire. Chinamen, hitherto the most impassive and domestic creatures of the universe, have started into new life at the tidings from the mines, and have poured into California by thousands. Besides importing several large suburbs, complete, they have constructed, erected, and furnished nearly half the houses in San Francisco. They swarm in the settlement like Scotchmen in India, or Maltese in the Mediterranean towns. They have even seized upon the most profitable trades, and the best *restau-*

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rants in the place are kept by adventurers from the Flowery Land. Kong-sung and Wang-tong especially have acquired, by their chow-chow, curry, and tarts, a prodigious reputation, and, for the first time in the annals of the world, Frenchmen appear to have been superseded in their hereditary capacities of *maîtres d'hôtel.* From no quarters, however, has the tide of immigration slackened ; nor does it appear that the number of settlers is yet thought in any degree to have approximated to the capacities of the country for maintaining them. Hitherto there has been no jealousy of feeling in this respect. One act, indeed, of the community redounds highly to their credit, and speaks volumes for the abundant promise of the region. It being reported that large caravans of emigrants were suffering distresses on the way, several hundred pack-mules were sent out to meet them, laden with such supplies as were thought most likely to be required.

Meantime it is certainly strange, that, although gold is undoubtedly both found and exported in considerable quantities, so little effect has been produced upon the bullion markets of the world. Two great results were naturally anticipated from the Californian discoveries, — the rapid and summary colonization of the North Pacific Coast of America, and an unexampled abundance of the most precious of metals. The first of these expectations has been realized in its fullest extent, but the latter has been hitherto disappointed. Even in the New York money market no direct influence of the mines has been yet perceptible ; and our latest intelligence states, as the only result of the arrival of one large cargo and the announcement of others, that confidence has been given to capitalists, and that the market continues in a sound and wholesome condition. In this country, though some of the genuine produce of the diggings has at length reached us, yet it is singular how little the great gold mart of the world can be hitherto said to have been directly affected. A few moderate consignments, a single story of a successful adventurer actually returned, and a periodical publication of new and more wonderful discoveries, represent all that we know of California and its treasures. Nor, if we form our conclusions by analogy rather than by rumor, do we think there is much ground for presuming any startling change to be in prospect. Various reasons have been hitherto alleged for the disappointment of predictions, but time has disposed of all these excuses, and still we get little more gold than before. On the whole, therefore, we are confirmed in our belief, that though the ultimate results of these discoveries may materially affect both civilization and commerce, they will not comprise any sudden or ruinous alteration in the standard value of gold. — *London Bankers' Magazine.*

California. — The gold set down as received by three steamers from California is variously estimated at from $ 1,800,000 to $ 3,000,000, and we suppose the fact to be a mean between the two statements. There is a disposition to exaggerate every thing in reference to California, and the reason is naturally enough to be found in the fact, that almost every thing is in the scale of extreme depression or elevation. Great as is the amount of gold received from California, it is as yet but a small return

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for the property which has been sent there. There has been a loss of from one third to one half, on an average, upon all the cargoes shipped, and these cargoes are estimated as equal in value to thirty or forty millions of dollars. Nearly a thousand vessels have been sent to California; but how few of the whole number have enriched their owners! We ought to bear in mind, also, that the California emigration has had a very sensible effect upon the internal trade of the country, and that it has almost depopulated a portion of certain important towns, and at the same time deprived them of the means which have hitherto enriched themselves and the surrounding country. In our congratulations as to the wealth of California, and the vast riches which those western settlements are to confer upon the whole country, we ought to bear in mind that the subject must be looked upon in two aspects. We have only seen the gold *in* and *from* California, and not the treasure which has gone there, nor the terrible sacrifices, sometimes of health, sometimes of morals, and sometimes of domestic comfort, which have been made to obtain this wealth. It is time that the public see these facts as they are, and that men, sensible men at least, should cease to be made crazy by the cry of gold. California, for the economist, the laborer, the careful capitalist, for men of means seeking a new and permanent home, is a field that promises a rich return for enterprise and industry; but the day has nearly passed for speculations and enormous profits there,— and we are glad of it, regarding such speculations as we do, as alike injurious to California, the Union, and to the men themselves who engage in the speculations. — *N. Y. Express.*

THE COMMERCIAL RESOURCES OF CALIFORNIA.

EXTRACT FROM THE REPORT OF THE HON. T. BUTLER KING TO THE DEPARTMENT OF STATE, MARCH 22, 1850.

THE commercial resources of California are, at present, founded entirely on her *metallic wealth*, — her vast mineral treasures remaining undeveloped, and her fertile soil almost wholly neglected; and this must continue to be the case as long as labor employed in collecting gold shall be more profitable than in any other pursuit which can furnish the sinews of commerce.

The day is probably not distant, however, when her minerals, especially the quicksilver mines, will be extensively and profitably worked.

Gold is the product of the country, and is immediately available, in an uncoined state, for all the purposes of exchange. It is not there as in other countries, where the productions of the earth and art are sent to markets, — foreign or domestic, — to be exchanged for the precious metals, or other articles of value. There, gold not only supplies the medium of domestic trade, but of foreign commerce.

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At first view, this state of things would seem to be unfavorable to an extensive intercourse with other parts of the world, because of the want of return freights of *home production*, for the vast number of vessels which will arrive with supplies.

These vessels, however, making no calculations on return cargoes, will estimate the entire profits of the voyage on their outward freights, and become, on their arrival, willing carriers for a comparatively small consideration.

This tendency in the course of trade, it would seem, must make San Francisco a warehouse for the supply, to a certain extent, of all the ports of the Pacific, — American, Asiatic, and the Islands.

Almost every article now exported by them finds a ready market in California, and the establishment of a mint will bring there also the silver bullion, amounting to more than ten millions per annum, from the west coast of Mexico, and, perhaps, ultimately from Chili and Peru, to be assayed and coined.

Vessels bound round Cape Horn, with cargoes for markets on the American coast of the Pacific, can, by taking advantage of the southeast trade-winds, and "standing broad off the Cape," make the voyage to San Francisco in as short a time as they can to Valparaiso or any port south of California. Vessels have sailed from our Atlantic ports to San Francisco in less than one hundred days, and they have been, in more than one instance, over one hundred and twenty days in going from Panama to San Francisco.

This astonishing difference, in time and distance, was caused by the course of the winds, and the "gulf-stream" of the Pacific, mentioned in my remarks on the climate of California.

The vessels from our Atlantic ports took advantage of the winds by steering *from* the Cape as far into the Pacific as to be enabled to take a course west of the gulf-stream in sailing northward, thus availing themselves, first of the southeast, then of the northwest "trades," and avoiding opposing currents.

The vessels from Panama were kept back by calms, adverse winds, and currents. It will be perceived, therefore, that there can be no inducement for vessels bound round Cape Horn, with mixed or assorted cargoes, to stop at Valparaiso, Callao, Guayaquil, or any other port on the west coast, because the exports of all those places will seek a market at San Francisco; and their supply of merchandise, as *return freight*, will be delivered at less expense than it can be by vessels direct from Atlantic ports, American or European. This tendency of trade to concentrate at San Francisco will be aided by the course of exchange.

Gold dust is worth but seventeen dollars per ounce in Chili. It is worth eighteen at the United States mint. If, therefore, a merchant at Valparaiso has ten thousand ounces in San Francisco, received in payment for lumber, barley, flour, or other produce, and desires an invoice of goods from the United States or Europe, he will gain ten thousand dollars at the outset, by sending his gold to New York, besides saving something on the freight and insurance, and at least one month's interest.

The countries on the west coast of America have no exports which find

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a market in China, or other parts of Asia. San Francisco will therefore become, not only the mart of these exports, but also of the products and manufactures of India, required in exchange for them, which must be paid for, principally, in gold coin or gold dust. Neither gold coin nor gold dust will answer as a remittance to China. Gold, in China, is not currency in any shape, nor is it received in payment of import duties, or taxes on land, or on the industry of the people.

The value of pure gold in China is not far from fourteen dollars the ounce. Hence, the importers of manufactures and products of India into San Francisco will remit the gold coin or dust direct to New York, for investment in sterling bills on London. These bills will be sent to London and placed to the credit of the firm in China from whom the merchandise had been received, and who, on learning of the remittance having gone forward to their agents, will draw a *six months' sight bill* for the amount, which will sell in China at the rate of four shillings and *two* pence or *three* pence per dollar.

I have a statement before me from one of the most eminent merchants and bankers of New York, who was for many years engaged extensively in the India trade, which shows that the profit or gain on ten thousand ounces of gold thus remitted would be $ 34,434.44, and that the loss on the same quantity sent direct to China would be $ 15,600. Total difference in profit and loss in favor of the remittance to New York, $ 50,034.44.

It will thus be perceived that Nature has so arranged the winds and currents of the Pacific, and disposed of her vast treasures in the hills and mountains of California, as to give to the harbour of San Francisco the control of the commerce of that ocean, as far as it may be connected with the west coast of America.

Important as the commerce of the Pacific undoubtfully is, and will be, to California, it cannot now, nor will it ever, compare in magnitude and value to the domestic trade between her and the older States of the Union.

Two years ago California did not probably contain more than fifteen thousand people. That portion of it which has since been so wonderfully peopled by American citizens was comparatively without inhabitants, without resources, and not supplied with the common comforts of shelter afforded by a forest country.

Notwithstanding the great distance emigrants have been compelled to travel to reach the territory, more than one hundred thousand have overcome all difficulties, and spread themselves over its hills and plains. They have been supplied from distances as great as they themselves have passed, with not only the necessaries, but the comforts and many of the luxuries of life. Houses have been imported from China, Chili, and the Atlantic States of the Union. All the materials required in building cities and towns have been added to the wants of a people so numerous, destitute, and remote from the resources of supply.

These wants will exist as long as emigration continues to flow into the country, and labor employed in collecting gold shall be more profitable than its application to agriculture, the mechanic arts, and the great variety

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of pursuits which are fostered and sustained in other civilized communities.

This may be shown by mentioning the price of a few articles. Last summer and autumn, lumber was sold at San Francisco at from three to four hundred dollars per thousand feet; at Stockton and Sacramento City, at from five to six hundred dollars. At these prices it could be made in the Territory, and many persons were engaged in the business. I perceive by recent accounts, that the price had fallen at San Francisco to seventy-five dollars; at this price it cannot be made where labor is from ten to fifteen dollars per day, and the difficulties attending its manufacture are much greater than in the Atlantic States. Lumber can be delivered in our large lumber markets on an *average* of the various qualities at sixteen dollars, and freighted to San Francisco for twenty-four dollars, making forty dollars per thousand feet. This price would cause the manufacture of it in California to be abandoned. We may add twenty dollars per thousand, to meet any increase of price in the article itself, or in the freight, and the result would be the same.

It is probable that the demand, for several years to come, will not be less than twenty millions of feet per annum, which, at forty dollars per thousand, will be eight million dollars.

When California comes to have a population of two hundred thousand, which she will have before the close of the present year, she will require near half a million of barrels of flour from some quarter, and no country can supply it as good and cheap as the old States of the Union. Including freight and insurance, this may be set down as an item of about five million dollars. The article of clothing, allowing twenty dollars to each person, would be four million dollars.

There is no pretension to accuracy in these items, and they may be estimated too high, but it is quite as probable they are too low.

We have no data on which to found a calculation of what the value of the trade between the States east of the Rocky Mountains and California will be during the current year. I will venture the opinion, however, that it will not fall short of twenty-five millions of dollars. It may go far beyond that sum. At present, I can perceive no cause which will retard or diminish emigration.

If the movement shall continue five years, our commerce with that Territory may reach one hundred millions per annum. This is doubtless a startling sum, but it must be borne in mind that we have to build cities and towns, supply machinery for mining, coal for domestic purposes and steam-navigation, and all the multifarious articles used in providing the comforts and luxuries of life, for half a million of people, who will have transferred themselves to a country which is to produce comparatively nothing except minerals and the precious metals, and whose pursuits will enable them to purchase, at any cost, whatever may be necessary for their purposes.

It is difficult to imagine or calculate the effect which will be produced on all the industrial pursuits of the people of the old States of the Union by this withdrawal from them of half a million of producers, who, in their new homes and new pursuits, will *give existence* to a commerce,

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almost equal in value to our foreign trade. Let no one, therefore, suppose he is not interested in the welfare of California. As well may he believe his interests would not be influenced by closing our ports and cutting off intercourse with all the world.

The distance round Cape Horn is so great, that bread-stuffs and many other articles of food deteriorate, and many others are so perishable in their nature, that they would decay on the passage. This would be the case particularly with all kinds of vegetables and undried fruits. Until some more speedy mode of communication shall be established, by which produce can be transferred, the farmers and planters of the old States will not realize the full value of this new market on the Pacific.

Many other important interests will be kept back, especially the consumption of coal. The American steamers on that ocean, those on their way there, and others shortly to be sent out, will consume not far from one hundred thousand tons per annum. The scarcity of wood in California will bring coal into general use as fuel, as soon as it can be obtained at reasonable prices. Suppose there may be, three years hence, forty thousand houses, which shall consume five tons each per annum. This with the steamers would be a consumption of three hundred thousand tons. If delivered at twenty dollars per ton, it would compete successfully with the coal from Vancouver's Island and New Holland, and amount to six million dollars.

The construction of a railroad across the Isthmus of Panama would secure the market for those articles against all competition.

Some idea may be formed of the demand for them from the prices paid in San Francisco last summer. Coal was sold at sixty to one hundred dollars per ton, potatoes sixteen dollars per bushel, turnips and onions for twenty-five to sixty-two and a half cents each, eggs from ten to twelve dollars per dozen.

The distance from Chagres to New York has recently been run in seven days. The same speed would carry a steamboat from Panama to San Francisco in ten days. Allow three days to convey freight across the Isthmus on a railway, and both passengers and freight will be conveyed from New York to San Francisco in twenty days.

The celerity of movement would secure for American produce the entire market of California. Sailing vessels may be successfully employed between our Atlantic and Gulf ports and the terminus of the railway on this side of the Isthmus; and *propellers* from Panama to San Francisco. These latter vessels will be found peculiarly suited to that trade; they can use their steam through the calms of the Bay of Panama, and against head winds and currents going north, and their sails with favorable winds and currents coming south.

These modes of conveyance, in connection with the railroads across the Isthmus, would be sufficiently expeditious and economical to turn the tide of commerce, between the Atlantic and Pacific States of the Union, into that channel. The tendency of our commerce on the Pacific to promote the employment of ocean-steamers is of much importance as connected with the defence of our extensive line of coast from latitude thirty-two to forty-nine degrees, the protection of the whale-fishery, and

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other branches of trade on that ocean. The establishment of a line of heavy steamers to China would promote all these objects, increase our intercourse with that country, and probably be the means of opening communication with Japan. Money wisely employed in promoting these objects, it is believed, would add more to the power and prosperity of the country than its expenditure on any *general system* of fortification at the present prices of labor and materials. There is one point, however, of such vast importance, that no time should be lost in taking the necessary steps to render it perfectly impregnable, — that is, the entrance to the harbour of San Francisco. On the strength of the works which may be erected to defend that passage will depend the safety of California in time of war with a maritime power. Permit a hostile fleet to cast anchor in the harbour of San Francisco, and the country would be virtually conquered.

The coast has not been surveyed, nor has its outline been correctly ascertained. There are many rocks above and below the water-line, and small islands not mentioned or indicated on any chart, which render navigation near the land, especially at night, extremely dangerous.

An accurate survey of the coast, to commence at the most important points, the construction of light-houses, and the placing of buoys in proper positions, are objects of much importance, and, it is not doubted, will attract the early attention of government.

EXTRACT FROM THE INAUGURAL ADDRESS OF GOVERNOR BURNETT, OF CALIFORNIA, 1850.

Gentlemen of the Senate and Assembly: —

I have been chosen by a majority of my fellow-citizens of the State of California to be her first Executive. For this proof of their partiality and confidence, I shall ever retain a most grateful sense. To be chosen chief magistrate of California at this period of her history, when the eyes of the whole world are turned towards her, is a high and distinguished honor, and I shall do all in my power to merit this distinction, by an ardent, sincere, and energetic discharge of the weighty and responsible duties incident to the position I occupy.

Nature in her kindness and beneficence has distinguished California by great and decided natural advantages; and these great natural resources will make her, either a very great, or a very sordid and petty State. She can take no middle course. She will either be distinguished among her sister States, as one of the leading stars of the Union, or she will sink into comparative insignificance. She has many dangers to encounter, many perils to meet.

In all those countries where rich and extensive mines of the precious metals have been heretofore discovered, the people have become indolent, careless, and stupid. This enervating influence operates silently, steadily, and continually, and requires countervailing causes, or great and continued energy of character in a people, to successfully resist it. How far this influence may mould the character of the future population of California, time

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alone can determine. If she should withstand and overcome this great peril, she will constitute a bright exception to the fate that has attended other States similarly situated. But I anticipate for her a proud and happy destiny. If she had only her gold mines, the danger would be imminent; but she has still greater and more commanding interests than this, — interests that seldom or never enervate or stupefy a people, but on the contrary tend in their very nature to excite and nourish industry, enterprise, and virtue. I mean her agricultural and commercial advantages. While our mines will supply us with ample capital, and our fine agricultural lands will furnish us with provisions, — our great and decided commercial facilities and position will give full and active employment to the energies and enterprise of our people, and will prevent them from sinking into that state of apathy and indifference, which cannot exist in a commercial and active community.

Our new State will soon take her equal station among the other States of the Union. When admitted a member of that great sisterhood, she will occupy an important position, imposing upon her new and great responsibilities. She can never forget what is due to herself; much less can she forget what is due to the Union. Her destiny will be united to that of her sister States. And she will then form one of the links of that bright chain that binds together the happy millions of the American people.

How wide and extended is our expanding country! With only thirteen States and three millions of inhabitants originally, we have grown in the short space of three quarters of a century to be one of the greatest nations of the earth. With a Federal government to manage and control our external relations with the world at large, and State governments to regulate our internal and business relations with each other, our system is peculiarly adapted for extension over a wide field, without the danger of becoming unwieldy and impracticable. We have now more than twenty millions of inhabitants, and thirty States, with others knocking at the door of the Union for admittance. Our states and cities line the eastern coast of North America, facing Europe, and our country extends across the continent to the shores of the Pacific, facing the millions of Asia. We have commanding military and commercial positions on both oceans, and nothing can retard us in our onward march to greatness but our own errors and our own follies.

THE HUDSON RIVER RAILROAD, — FROM NEW YORK TO ALBANY, 160 MILES.

From the American Railway Times.

We have received the Third Annual Statement of the affairs of this company, embracing the report of the directors, the report of Mr. Hopkins, the treasurer, and that of Mr. Young, the chief engineer. The directors speak with unqualified confidence of their ability to complete

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the road to Albany by the 1st of January, 1852, and probably by the 1st of November. In reference to the law passed at the last session of the Legislature, authorizing railroad companies and certain cities and villages to lend their credit to this road, they say that though their secretary was at Albany, aiding to procure the passage of such an act, they trust it will not be necessary to make use of its provisions. The whole expense of a double track from New York to Poughkeepsie, and of a single track thence to Albany, with depots and equipments complete, is estimated at nine million dollars, of which $5,133,831 have been expended. The increase of travel on the road since it was opened to Poughkeepsie has been such, — averaging over twenty-five per cent. monthly, — as to satisfy the directors that the earnings on that part of their road alone will afford more than ample provision for all their first mortgage bonds. In addition to the present steamboat connection, established with the road, between Poughkeepsie and Albany, the steamers New World and Hendrik Hudson, when they commence running their daily line, are to ticket passengers through from Albany, with the privilege of landing at Poughkeepsie and taking the railroad thence; and on leaving New York, at 7 o'clock in the morning, they are to stop at Poughkeepsie and receive passengers from the road; by which arrangement, passengers leaving New York by railroad at 8½, A. M., will join at Poughkeepsie those who left the city by the boat at 7 o'clock; and passengers leaving Albany at 7, A. M., may be at the Chambers Street station at 2½ or 3, P. M.

"This arrangement," says the board, "is made on an equal division of fares jointly earned, without any responsibility or risk on the part of the company for the charges and hazards of steamboat navigation. The proprietors of the steamboats have the privilege of transporting their through-mails in the baggage cars of the road. The railroad company has the contract for the way-mails to Poughkeepsie."

The road has been severely worked for six months past, transporting over two thousand passengers, daily, at the rate of over thirty miles an hour, and has encountered the freezing and breaking up of the river, and all the trials incident to such exposure, and Mr. Young says that, with an unimportant exception, it has endured the ordeal in a manner to justify the general opinion of its stable and permanent character. It is expected that one thousand miles per day will be the aggregate service of the trains during the summer months. Mr. Young recommends that a double track be laid between New York city and Poughkeepsie without delay.

The engines in use have been proved to possess the capacity to run at the rate of seventy-two miles in two hours and thirty minutes, including from ten to fifteen way stoppages. The same rate of speed would cover the distance between New York and Albany in five hours. Mr. Young is confident that a through-train, stopping only three times, will make Albany without difficulty in four hours.

There are twenty-three cars now running, and carrying on an average two thousand persons daily. Sixteen additional ones are preparing, and when received will make an aggregate of thirty-nine first-class passenger-cars of sufficient capacity to transport four thousand seven hundred persons.

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The rates of fare are one and a third cent per mile, which will be equivalent to two dollars to Albany. In the winter two cents per mile will be charged, or three dollars to Albany.

We are happy to perceive that the road north of Poughkeepsie is rapidly progressing. The two heavy sections immediately north of that city have been placed under contract, and considerable progress has been made in grading them. The whole line, as far as Rhinebeck, is prepared for letting.

"From the books of the company," says Mr. Young, "it appears that the cost of grading the seventy-two miles now in operation, between Thirty-first Street, New York, and the village of Poughkeepsie, has been $3,058,584.10, making the cost per mile, in round numbers, $42,480." From data which he submits to the board, he estimates that the cost of the remaining sixty-nine miles will average $28,985 a mile.

We learn that Oliver H. Lee, Esq., of New York, has been appointed Superintendent of that portion of the road now in operation.

RAILROADS IN MASSACHUSETTS DURING THE PAST YEAR.

Length of main roads,	1025 miles.
Length of branches,	111 "
Length of double track and sidings,	373 "
Cost,	$51,801,125

Receipts.

From Passengers,	$3,234,136
From Freight,	2,615,577
From Mails, &c.,	268,501
Total receipts,	$6,118,214

Expenses.

Road Bed,	$615,310
Motive Power,	553,557
Miscellaneous,	1,918,214
Total Expenses,	$3,087,081
Net income,	$8,061,320
Net income per cent. on cost,	$6.03

The amount of tolls received at the Collector's office in the city of New York, from the 8th to the 14th of May, inclusive, in 1850, is	$8,505.88
The whole amount received during the first three weeks of navigation in 1850 is	$49,808.49
Same period last year,	45,447.26
Increase over 1849,	$4,362.23

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MONEY, — ITS HISTORY, PHILOSOPHY, USES, AND ABUSES.

The following is a summary of a very excellent lecture by the Rev. Samuel Martin, delivered before the Young Men's Christian Association, at Exeter Hall, London, in January last, and reported in the *Christian Times*.

"MONEY," says Dr. Adam Smith, "is the great wheel of circulation and distribution, the great instrument of commerce." Torrens compares money to "a high-road, a navigable river, which, by facilitating exchanges, and perfecting the divisions of employment, increases to an incalculable extent the mass of wealth." Thomas Carlyle calls money "the master-organ, the soul's seat, the pineal gland of the body social." Noel Humphreys describes money as "one of the inventions that has had the greatest effect upon the destiny of man, — influencing the course and form of his progressive civilization more, perhaps, than any other." "Money," writes Milne, "is the medium through which the incomes of the different members of the community are distributed to them, and the measure by which they estimate their possessions." And, turning to poets, hear Hood (always with laughter on his lips, but never without seriousness in his soul) sing, —

"Gold! gold! gold!
Bright and yellow, hard and cold,
Molten, graven, hammered, and rolled;
Heavy to get, and light to hold;
Hoarded, bartered, bought, and sold,
Stolen, borrowed, squandered, doled;
Spurned by the young, but hugged by the old
To the very verge of the church-yard mould;
Price of many a crime untold;
Gold! gold! gold! gold!
Good or bad a thousandfold!
How widely its agencies vary, —
To save, — to ruin, — to curse, — to bless, —
As even its minted coins express,
Now stamped with the image of good Queen Bess,
And now of a Bloody Mary!"

In a similar strain wrote the devout Herbert, more than two centuries ago: —

"Money, thou bane of bliss, and source of woe,
Whence comest thou, that thou art so fresh and fine?
I know thy parentage is base and low;
Man found thee poor and dirty in a mine.

"Sure thou didst so little contribute
To this great kingdom which thou now hast got,
That he was fain, when thou was destitute,
To dig thee out of thy dark cave and grot.

"Then, forcing thee, by fire he made thee bright;
Nay, thou hast got the face of man; for we
Have, with our stamp and seal, transferred our right:
Thou art the man, and man but dross to thee.

"Man calleth thee his wealth, who made thee rich;
And while he digs out thee, falls in the ditch."

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All these utterances are but the echoes of voices which address us through the Holy Scriptures. The Bible says, "Money answereth all things," — "Money is a defence," — "The love of money is the root of all evil." According to these representations, money is an instrument of peculiar and extended power, — exerting an influence on production, on exchange, on the manners and morals of society, on the outer and inner life of mankind. But we need not go to books for this testimony, — out of the mouths of men proceeds sufficient evidence. We shall try, this evening, to utter a few truthful words on the history, philosophy, use, and abuse of money.

A good sketch of the history of metallic money may be gathered from the Bible. Metals, the utility of which is second only to that of food, were early discovered and employed. According to Moses, metals came into use in the fourth generation from Adam; but it is not until seventeen hundred years have elapsed, that we read of metals as a medium of exchange. We read in Genesis of Abraham weighing to Ephron "four hundred shekels of silver, current money with the merchant." And from various statements in the same book, we gather that metallic money was current in Egypt, Canaan, and the intermediate and surrounding countries, about two thousand years before Christ. It was passed by weight, not by tale; it was in the form of spikes; pieces of particular weight and quality were current. Superabundant produce was turned into this money, and it was used in the purchase of all that money could be expected in that day to command. The same description of money is furnished by other books of the Old Testament, money throughout being distinguished from garments, and from what is called in our translation "stuff"; laws concerning usury also abounding. In a cycle of history as wide as that of fourteen centuries, we have no record of any great change in money. Jeremiah says, "I bought the field of Hananeel, and weighed him the money, seventeen shekels of silver"; according precisely with the account of a similar purchase by Abraham, nearly fifteen centuries before. In the New Testament, besides gold and silver, we read of another metal, — brass, or bronze. There we find money, not as bundles in the hand, or in a sack, but in purses; we find images or superscriptions on the money, and money of known value, as the talent, the pound, the mite; we have "the tables of the money-changers"; and we recognize all the circumstances that belong to a COINED metallic currency. We turn from the Bible to other writings. Homer, who is generally believed to have lived at the beginning of the ninth century before the Christian era, frequently alludes to transactions of barter, and constantly introduces a measure of value, but makes no mention of metallic money. About four hundred years afterwards, Herodotus, writing of the Lydians, testifies, — "They are the first of all the nations we know of that introduced the art of coining gold and silver." Both Greek and Roman writers speak of their own countries as using the metals first as bars, and then as coins; that is, as beginning with exchange in kind, then passing to exchange by the rough metallic medium, and then rising to coinage. In the time of Cæsar, the Britons used for money brass or iron rings, sized to a certain weight; coinage was probably introduced among

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them by the Romans, although gold coins exist, said to be British, of a very early date. We incline to the opinion that the invention of coined money belongs to the Lydians. Our opinion rests on the constructive character of that people, — the position of their country, the splendid gold mines to which they had access, the golden sands of their rivers, the testimony of gold coin still in existence, the general accuracy of Herodotus in all matters of fact, and the support given to him by other authors. If you read the history of money, not by countries, but by substances, it runs thus: gold, silver, iron, copper, bronze, leather tokens, and paper. Lydia and Persia began with gold, Greece with silver, and Rome with copper. In relation to the fine arts, you have metal in irregular pieces; pieces in shape, as rings; pieces struck with a die; then one side ornamented, the other bearing the rude mark of the punch; both sides are then embellished. You pass from initial letters to names, — from one word to several, — from a head to an entire frame, — from one form to groups, and from rude execution to forms worthy of Phidias, and of the land of genius and beauty from whence that sculptor sprang. Monetary interests and institutions may be arranged as follows: — Lending money on interest is named in Exodus as a transaction well known in Moses's day, and the fact that the metal was uncoined would not prevent the transaction. In Athens, a great many persons lived on the interest of money. Concerning mints, a writer in that most precious work, Dr. W. Smith's "Dictionary of Greek and Roman Antiquities," states, that "in Greece every free and independent city had a right to coin its own money." It is probable that the government only watched over the weight and purity of the metal, and that the people, in their Assembly, had the right to regulate every thing concerning coining. Banks and bankers are of very ancient date. At Rome there were private bankers, who did all kinds of broking, commission, and agency business; and a similar occupation seems to have existed among the Greeks.

From what has been said, it will be observed that the historical origin of rough metallic money is unknown; that the progress of monetary invention was slow, unstamped metal having existed at least a thousand years before coinage. The earliest coinage on which men have been able to fix their eye is the ninth century before Christ. From that time metallic money has spread, until now it is the currency of the world. The races still adhering to simple barter are very few, and, of course, uncivilized. The invention of cotton, paper, and the art of printing made the medium yet more elastic; and it remains to be seen whether men will substitute the messages of the electric telegraph for promissory notes or bills of exchange. The speed of the transaction would suit them; but the accuracy and the safety! How like our own history is all general history! To ourselves the real is in the nearest past, which is linked to the poetry of a remoter past; and beyond the poetry is oblivion. Our earliest infancy is oblivion; our childhood and our youth in our manhood are poetry, and it is our manhood that is to us now alone reality; and so the centuries near us are true history, — the centuries behind them are clad in garments from Fancy's busy and splendid looms; and the centuries beyond them are down deep in the darkness of human ignorance and of forgetfulness.

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We advance to the philosophy of money. Money is an instrument of exchange, of common and known value; answering the double purpose of a medium of exchange and a measure of value. Now, different countries, and different men, have particular "aptitudes"; one country produces what another country does not produce, and one man can do what another man cannot do; but every man wants more than he or his own country can produce. To supply this want, we need exchange, and money is "an instrument for facilitating exchange." In the earliest period of exchange, a fixed medium was unknown. Then men bartered their surplus wealth for whatever surplus a neighbour might be willing to part with, or they be able to take. Such exchanges were necessarily limited, adjustment was uncertain, and labor, enterprise, and skill were depressed. The next step was to make commodities of general value the instruments of exchange; and we read that skins, cattle, salt, corn, fish, and sugar discharged the ordinary functions of money. But a skin or an ox could not be advantageously divided, when the owner wished for an article of inferior worth, and the articles themselves would necessarily fluctuate in value. Another medium of exchange is wanted, and is sought and found. Metallic money, particularly gold and silver, possesses divisibility, durability, and can easily be transmitted from place to place; and hence its universal adoption as the medium of exchange, in place of the old media of commodities, which occupied much time unnecessarily, and were in many cases uncertain and unsatisfactory. The circumstance of uncoined metal led to coinage, and the same circumstance gave birth to paper-money, which is a decided improvement on metallic currency, and a great saving of expense. We are not prepared to say what amount of control government should put forth on the currency of a nation; but we are quite sure of this, that as children may be nursed into weakness, and that as go-carts cannot be used without injury beyond their season, so governments may legislate in excess, until the people are like ricketty children, or children six or seven years old, unable to run alone. But money is not wealth, — it is an instrument for circulating and distributing wealth; money is not capital, — it is a means of employing capital. The value of money is not arbitrary, and its value is in an inverse ratio with goods. Money finds its way to whatever hand and to whatever land presents the strongest demand for it, and legislation cannot arrest its course. The rapidity with which money circulates affects industry and wealth as really as the quantity of the money circulated. By money cheapness and dearness are fixed. Credit is not capital, but permission to use the capital of another. Money becomes a source of wealth by its distribution of wealth. The value of money, other things being the same, varies inversely as its quantity. Such are the phenomena which attend that instrument, the power of which is generally recognized.

We pass forward to the use of money. "Every man," it has well been said, "is rich or poor according to the degree in which he can afford to possess the necessaries, conveniences, and amusements of life"; but the far greater part of these he must derive from the labor of other people, and he must be rich or poor according to the quantity of that

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labor which he can command or afford to use. Money is the instrument for the supply of some (but only some) of his wants, and the gratification of some of his desires. By the legitimate use of money, the individual faculties are developed in connection with the promotion of mutual dependence. The effect of money is to carry out between individual men and different nations the analogy which the Apostle Paul applies to the Church, of the head and the members. What civilized man can live in independence? What nation can afford to close her ports? A Robinson Crusoe life, whether for nations or men, cannot now be; and as for monopoly, exclusiveness, and war, the unchangeable laws which gave birth to commerce doom them. My Bible tells me that "the nations shall learn war no more"; but had I no divine revelation, and should I assume the growth and division of labor and the extension of exchange, I might safely on that basis utter the prediction. Without exchange, men would not produce more than is necessary for their own existence, and barter would be slow and unsatisfactory. Money helps to secure the rights of industry. A man saves a little money, and with credit and honesty, skill and diligence, he starts into the world, and at length becomes wealthy. Before, he had not in his native land even the possession of a burying-place; now, he is a land-owner; before, men would not even look at him, but now, though some may still hesitate to recognize him in their assemblies, he is able to curb the influence of hereditary power and territorial wealth, and to show them that, although he has not the names of noble ancestors, he has the power and the spirit to provide a name for himself. Money, moreover, has its effect on art, literature, and science, and it is the only power by which all works of public utility can be carried on. But we hasten to say to certain young men, get to know by study and observation the value of money. Some young men always proceed upon the principle of parting with their money at the earliest opportunity. To these I would say, study and act out the book of Proverbs, take along with these Poor Richard's maxims in his "Way to Wealth," and crown them with the testimony of Paul, "Godliness is profitable for all things." But not a few, perhaps, overvalue money; and if this be not a common fault with young men, while they are young, it becomes their besetment in after years. Gold, if "spurned by the young," is

> "Hugged by the old,
> To the very verge of the church-yard mould."

We refer now to the abuses of money, of which our Lord said, "How hardly shall they that have riches enter into the kingdom of God!" What are these abuses? To hoard money is to abuse it. Money is the wheel of distribution, and to hoard it is to keep in stillness what was constructed for motion. Lord Bacon says, "Money, like muck, is meant to be spread." To call a mere accumulator wealthy is to apply a misnomer. To make the possession of money the dominant badge of social distinction, is also to abuse money. Is it only money that can make a woman a lady, or a man a gentleman? Are moneyed women and moneyed men always entitled to the servility which this name awards? A leper may put on jewels, but a jewelled leper is a leper still. Money was not invented

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to exalt the few, but to bless the multitude. Of the people who lived nearest to the birthtime and birthplace of money, it has been said, "It seemed a deeply-rooted instinct of the Greeks, to resist the exclusiveness, whether social or political, that was based on the mere possession of money." This deeply-rooted Grecian instinct should have a yet firmer hold on Christian men. To the judgment of a Christian, a man made of money should be a golden calf, and not a man; and his social estimates should be formed on what a man is, and not on what a man hath. Let the world worship in a house, the creed of which is "Money"; but let us, who possess a nobler origin, forsake such temples, and frequent the shrines of intelligence and wisdom, goodness and truth. Money is abused when it is lifted out of its sphere. To stake our happiness on the possession of a certain amount of money, or on our incessancy of accumulation, is to abuse money. Money was never meant to be the sole, chief basis of happiness. It does supply our bodily wants, and also exerts a mighty influence. The Bible says, "A rich man's wealth is a strong city," "Money answereth all things," "Money is a defence"; but even some of its services are useless. The rich have many friends, — wealth maketh many friends. Are friends so made worth having? What are they better than the flies which haunt some perfumed unguent, or the wasps which, uninvited, come to a table spread with confectionery. And are not the ministrations of money limited? Money cannot meet all wants; money cannot gratify all desires; money will not exclude sickness, and pain, and death; money cannot bar the mind against thoughts of darkness, or bolt the heart against emotions of bitterness; money is not wisdom; money is not goodness. Give money its due, but let us not lie unto it. Is not the tenure of money uncertain? Certainly, "riches take to themselves wings, and fly away as an eagle." A conveyancer records your rights in property thus, — "To have and to hold"; but he professes to give you more than he can give you. He may convey to you the *habendum*, but the tuggings of losses unexpected, in expenditure and such like, to say nothing about prodigality and oppression, very often destroy the *tenendum*. And money has its drawbacks. There is trouble in getting it; trouble in keeping it; trouble in using it; vexation in parting from it. It promises more than it performs, and it has moral entanglements peculiar to itself. It inclines one man to vanity, another to pride and lust; it leads some to kick against Divine Providence, to forget God, to oppress their fellow-men. It is, in many hands, an instrument of sin. The success of these entanglements is not necessary; for we have Job rich and just; Abraham rich and strong in faith; David rich and obedient to God. But "money hath cast down many wounded; yea, many strong men have been slain by her." Now, considering these things, how unwise it is for a man to place his sole confidence in money! It is to go to sea in a craft made of osiers; it is to build your daily dwelling on quicksands. The sleep of the laboring man is sweet, but the abundance of the rich will not suffer him to sleep. To make money the end of life, or to put money before health, mental culture, domestic happiness, social influence, the common weal, is to lift money out of its sphere. Money is also abused, when purchased by means evil in themselves or injurious in their

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effects, and when it is so employed will inevitably inflict social and personal mischief. To get money by consecrating the whole of a man's time and energy to its pursuit, is to get money by evil means. Is it not evil so to labor for "the bread that perisheth" as to exclude all opportunity of feeding the mind with "the meat which endureth"? What is this, but to starve the nobler part of our nature for the sake of feeding the inferior? Is it not evil, by absence from home, lengthened to an extreme, in pursuit of money, to make a wife a widow, and children fatherless, while the nominal husband and father yet lives? Was such living together all that was meant, when to the question, "Wilt thou have this woman to be thy wedded wife, — to live together after God's ordinance, in the honorable state of marriage?" — the then pliant and plastic bridegroom said, "I will"? The wives of many money-gatherers would be justified in returning, a few years after, to him who bound them in wedlock, with the complaint, — "My husband hath left me to govern our house, and to educate our children, to fight the battle of life alone; bid him, therefore, that he come and help me." Is it not evil to be living in society like a dislocated member of the body politic, a dead weight in the brotherhood of man, or like a leech, whose incessant cry is, "Give, give"? Is it not evil to be acting on the principle, "Let us eat and drink, for to-morrow we die," when by "sowing to the spirit" we may "reap life everlasting"? Money is too small an end to justify such an absorption. To sacrifice the future welfare of the spirit, the cultivation of the mind, happiness, character, to money, is to pursue it by evil means. "What is a man profited, if he gain the whole world and lose his own soul? What shall a man give in exchange for his soul?" "A good name is rather to be chosen than great riches, and loving favor than silver and gold." "Happy is the man that findeth wisdom, and the man that getteth understanding; the merchandise thereof is better than the merchandise of silver, and the gain thereof than fine gold." Now, because excessive speculation of every kind, and the smallest amount of speculation of a certain class, involves these costly sacrifices, speculation must be condemned. Great risks on small odds involve hard and incessant thinking, employ ceaselessly the imagination, make a man's heart oscillate between hope and fear, overjoy him or oversorrow him, break his nights, shorten his days, break up his health, — and, what is worse, temptations to fraud being multiplied, character, by speculation, is often destroyed. The graves of suicides and the gallows of the malefactor protest against the course of the speculator. If any, prompted by the deceitfulness of the evil, ask, "And what is speculation?" we reply, — those risks which a man cannot encounter, and at the same time be obedient to the divine caution, "Do thyself" — (not thy purse) — "thyself," thy body, thy spirit, thy character, thy destiny, — "do thyself no harm." To seek money by tempting, deceiving, and oppressing others, is to pursue it by evil means.

Into the philosophy of labor and wages, which political economists discuss, we cannot now enter; but there is a standard of remuneration far more sure and far more accessible, and we think this standard should be ifted up. We mean, that the heads of commercial establishments require

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sometimes to have it exhibited to them. Suppose a banking firm, consisting of four or five partners, divides as profit £50,000 a year. Say that a young man enters that house at twenty, starts at £70 a year, and gradually rises to £200, at which salary, unless death do some dreadful havoc in that establishment, the man may remain thirty years. I am not now speaking of men who are not worth their salt; if a man be in a banking-house thirty years he must be worth something, and I suppose that a large profit is realized from his labors. This man must find sureties, he must to a certain extent be educated, he must dress and behave like a gentleman, and live in decent style, and he is under heavy responsibility. His income may be sufficient to meet such expenses as he may be supposed to have; but God has provided a help for him, and he is not so foolish as to stumble through life alone, neither is he so ignorant of what true wealth is as to wish to be a married man "without" what inhuman advertisers sometimes call "encumbrances." Yet what will keep one will not support two; what will support a man and his wife will not suffice for them and the contents of a cradle; and what will feed the first-born will not feed, and clothe, and educate, and place in business, some six or seven after-born. And, we say, Is it right for men to amass wealth on a crushing system like this? It is, clearly, to get money by evil means; and if the heads of such houses were to honor me with the inquiry, "By what are we to calculate the remuneration of those who serve us?"—I should put before them this ready-reckoner, "As ye would that men should do to you, do ye even so to them."

I have only a few words now to say to you, in conclusion. It must be quite clear, that to hoard money, to make the possession of money a permanent social bond, to sacrifice superior interests to money-getting, to pursue it through evil ways, is to frustrate its design on the one hand, and to idolize it on the other. To young men, so disposed to abuse money, we address the Bible caution,—"The love of money is the root of all evil, which, while some have coveted after, they have fallen into temptation, and a snare, and pierced themselves through with many sorrows." Our hope for the country, in spite of the recent railway affair and the Russian loan, is, that the abuses of money are on the decline. The prime minister does not now bribe his supporters with bank-notes in table-napkins, at ministerial dinners; £700 or £800 a year is not given to people for supporting a party; government contractors do not receive several thousand pounds above the trade-price of the commodities they supply, neither can they escape with supplying hundreds of tons of goods less than the quantity stipulated for; seamen's hospitals are managed better than seamen's tickets; a tulip mania could not now be got up. The Stock Exchange contains animals of closer affinity to human kind than the bulls, and the bears, and the lame ducks that are still there. Individuals, who have become notorious by dishonesty, when their iniquity is discovered, are made to die from society; books have a wider sale; early-closing is on the increase; wages are on the rise; Thomas Gray, could he live again, would not die unrewarded; book-societies, literary and scientific institutions, multiply; ministers of religion are more practical in their teaching; among men of business there is more thought about health and intellec-

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tual culture; there is more regard to character and right principle than there was some fifty, or even thirty, years ago. All these circumstances are good omens. We are not complacent on the present, but we are hopeful for the future, and the present is the basis of our hope. Money still oscillates between abuses of various kinds, but they are becoming daily less, and we expect to see it rest in its proper and legitimate service. The principles we have advocated will, we believe, be increasingly adopted, and extend till the leaven in the meal shall "leaven the whole lump." We do not, like some, look for the advents of prophets and seers, of true priests and godlike souls, as the means of bringing on the right use of money. We have had in history, example, experience, Christian institutions, and other Divine offices, the apostles and the prophets, and we look now for all to "come to the stature." The moral glory is revealed, and "all flesh will see it together." It will not be a creation from without, but a growth from within. Yet, if we would help forward this "good time coming," we may take a hint from the moneyers of Greece and Rome. The Roman mint adjoined the temple, — the coinage of Greece bore religious emblems; both circumstances signifying, that the principles of the temple are to be carried into exchange, — that exchange may look to the temple for the upholding of its integrity, and for a spirit of diligence, prudence, and zeal, — that, in using money, men should be reminded of what is due to God, and that, instead of separating money and religion, — giving money its separate sphere, and religion its separate sphere, — religion, like the sun of our planetary system, should fix money in its orbit, command its revolutions, make it fruitful, and cause the otherwise dead ore of earth to shine with the brilliancy which Heaven alone can supply. Make, — so far as your conduct can make it, — make money a planet in that system, of which religion is the sun. These will hasten forward "the good time," of which we have spoken. That "time" will "come," whether we aid its advent, or are indifferent to its dawning; but it will be a double "good" to behold its brightness, and to have ministered to its approach.

"There is a fount about to stream,
There is a light about to beam,
There is a warmth about to glow,
There is a flower about to blow;
There is a midnight blackness changing into gray;
Men of thought and men of action! clear the way!

"Aid the dawning, tongue and pen!
Aid it, hopes of honest men!
Aid it, paper! aid it, type!
Aid it, for the hour is ripe;
And our earnest must not slacken into play;
Men of thought, and men of action! clear the way!"

Destruction of Money. — Some fifteen or twenty thousand dollars of genuine bank-notes, from plates which had been counterfeited by the Brockway gang, were purposely burned at New Haven in June. Bills from new plates have been substituted for them, and as fast as the old emissions come in, they will be destroyed in like manner.

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NEW RAILROAD LAW OF NEW YORK.

This important law, recently enacted by the Legislature of New York, in 1850, consists of fifty-two sections. Its principal provisions are as follows.

It authorizes any number of persons, not less than twenty-five, to associate for the purpose of constructing and operating railways, — the amount of capital stock not to be less than $10,000 for every mile of road proposed to be constructed. When the articles of association are filed in the office of the Secretary of State, the stockholders shall be possessed of such powers as are granted to corporations, but these articles shall not be filed until at least $1,000 of stock for every mile of the proposed road is subscribed, and 10 per cent. paid in.

Every corporation formed under this act shall have a board of thirteen directors, chosen annually. The stock of such companies shall be deemed personal estate, and be transferable. Each stockholder shall be individually liable to the creditors of the company in a sum equal to the amount unpaid on the stock held by him.

The bill minutely describes the manner in which title may be acquired to real estate required for the purpose of the company, in relation to the purchase of which the parties may be unable to agree. Upon a petition being presented to the Supreme Court, held in the district in which the real estate described is situated, praying for the appointment of commissioners of appraisal, the court shall appoint commissioners from persons named by the company and the owners of the real estate proposed to be taken, to determine the compensation which ought justly to be made.

Before constructing any part of their road, every company formed under this act shall make a profile of the route intended to be adopted, to be filed in the office of the clerk of the county in which the road is to be made, and the company shall give written notice to all occupants of the land over which the route of the road is so designated.

The directors of every company formed under this act may, by a vote of two thirds of their whole number, at any time alter or change the route, or any part of the route, of their road, if it shall appear to them that the line can be improved thereby.

No company formed under this act shall lay down or use in the construction of their road any iron rail of less weight than fifty-six pounds to the lineal yard, except for turn-outs, sidings, and switches.

In addition to the powers conferred on corporations in the third title of the eighteenth chapter of the first part of the Revised Statutes, companies formed under this act shall have power to cause necessary examinations and surveys for its proposed road to be made; to take and hold grants of real estate on other property; to purchase and use all such property as may be necessary for the construction and maintenance of the road; to construct their roads across, along, or upon, any street, stream, plank-road or canal; to intersect or join its railroad with any other railroad before constructed, &c.

Whenever the railroad of any company formed under this act shall

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run parallel or nearly parallel to any canal of this State, and within thirty miles of such canal, the company owning such railroad shall pay to the canal fund, on all property transported upon its railroad, other than the ordinary baggage of passengers, the same tolls upon that portion of the road running parallel to the canal that would have been payable to the State, if such property, other than baggage, had been transported on any such canal.

Every corporation formed under this act shall make an annual report, to be filed in the office of the State Engineer and Surveyor.

The Legislature may alter or reduce the rate of freight, fare, or other profits of such roads, but not to such an extent as to produce, with said profits, less than 10 per cent. per annum on the capital actually expended. Any such corporation shall, when applied to by the Postmaster-General, convey the mails of the United States on their roads or routes respectively; and in case such corporation shall not agree as to the rate of transportation therefor, and as to the time, rate of speed, &c., it shall be lawful for the Governor of this State to appoint commissioners, who shall determine and fix the prices, terms, and conditions aforesaid; but such price shall not be less for carrying the said mails in the regular passenger trains than the amount which such corporation would receive as freight on a like weight of merchandise, transported in their merchandise train, and a fair compensation for the post-office car. All existing railroad corporations within this State shall respectively have and possess all the powers and privileges contained in this act. This act to take effect immediately. — *N. Y. Journal of Commerce.*

NEW UNITED STATES COINS.

From the Philadelphia "North American and United States Gazette."

We have examined specimens of coins lately struck at the Mint, to illustrate the bill presented in the United States Senate, by Mr. Dickinson, for the coinage of *one-cent* and *three-cent* pieces.

The cent piece is designed as a substitute for the present copper coin, and contains the proportion of *silver* — one tenth — expressed in its legend. The effect of this infusion of precious metal, small as it is, besides lightening the color perceptibly, is to reduce greatly the bulk of the coin of that denomination, and to make it much more convenient and portable. Its weight is 25 grains, while that of the present cent is 168. It is annulated, that is, it has a *large round hole* in the centre, which is a novel feature, and has been introduced for the sake of the following advantages: it extends the diameter of the piece to a proper measurement, being the same as that of the dime, which is as small as could be desired for such a coin; it affords a distinctive mark, by which the piece may be recognized and safely paid out even by the touch; it affords a facility to retailers to put the pieces up in parcels, say of a hundred or thousand, by *stringing* them, or putting them on an upright stake or file; and lastly, the com-

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plexity of manufacture will throw some impediments in the way of *counterfeiting*, if that is to be apprehended. Should the bill pass, dies for this piece will, we learn, be got up with more care, and more show of art, than in this specimen, which is only a temporary illustration for the use of Congress.

The *three-cent* piece is an alloy of three fourths silver and one fourth copper; its weight twelve and three eighths grains; its diameter just midway between the gold dollar and the half-dime. The bill provides that its devices shall be "conspicuously different from those of the other silver coins"; and consequently we have a radiated liberty-cap on one side, and a wreath inclosing the Roman numerals III. on the reverse. It is also distinguished from the half-dime by a smooth border. It has the white appearance of pure silver. This coin is proposed as a convenient adaptation to the prices of many things, and to making change; but there is also a special object contemplated in relation to it. The country is weary of the worn-out Spanish money, the "fips, levies, and quarters," which, for the last century nearly, have had so prominent a place in its currency, and which are ill adapted to our decimal system. At the same time, every plan for forcing them to the crucible, as long as people hold them at their nominal value, or even a slight fraction under it, is sure to fail. The only resource left is to *coax* them to the mint, by exchanging them at the nominal value for national coin. This, however, could not be done with justice to the public treasury, without issuing, as many countries do, a minor coin, with a legal valuation somewhat higher than the intrinsic; as the present *cent* is, and as the new cent will also be. As a matter bearing upon this proposition, the Director of the Mint, during the last winter, addressed circular letters to respectable dealers and others in various parts of the Union, inquiring into the frequency of the appearance of the Spanish small coins in currency, relatively to our own small coins. There was no other way of basing an estimate of their actual amount, and this, it was believed, would give an approximation. The answers were tolerably accordant, — at least as to the Eastern, Middle, and Western States, — and left the conviction that the Spanish quarters afloat rather exceed in value our own quarters; while the eighths and sixteenths will count at least half as much as our dimes and half-dimes. In all the period of our mintage, to the end of 1849, there have been issued, here and at New Orleans,

In quarter-dollars, ...	$3,713,075	
In dimes, ...	3,311,710	
In half-dimes, ...	1,595,975	
		$8 620,760

So that, unquestionably, there are now six millions of dollars worth of small Spanish silver money in our currency. The weight of the proposed three-cent piece is so adjusted as to enable the government to make the exchange without loss to itself, and there will be none to the party applying. The bill provides that the three-cent piece shall be paid out at the mint, and its branches, in exchange for those and some other varieties of small foreign silver coins current amongst us, *but for no other kinds of coin or bullion.* The effect of this provision any one can foresee.

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ILLUMINATED CLOCKS.

From the New Orleans Picayune, March, 1850.

ELECTRIC CLOCK. — ILLUMINATED DIAL. — There is now over the principal entrance into the Bank of Louisiana, Conti Street, a beautiful specimen of the newly invented plan of illuminating the dial-plates of clocks in public edifices. For many years it had been a great desideratum in mechanics to get rid of the cumbrous agencies by which the dial-plates of clocks in churches, factories, and other large edifices are illuminated. These were by means of exterior reflectors, which, besides being to a certain degree imperfect and subject to derangement, necessitated being drawn in and put out morning and evening, occasioning considerable labor. In the year 1845, M. Dorey, a merchant at Havre, formerly, we believe, a shipmaster, by a series of very ingenious experiments discovered a method, as beautiful as it is simple, for supplying the want that had been so long felt. He prepared a dial of plain glass, painted on it the hours and minutes in white, and placing a couple of strong reflectors in a square box, lined with black velvet, technically called a dark chamber (*chambre obscure*), fixed the latter behind the dial, when the most beautiful effect was produced. He immediately applied for a patent, which was given unhesitatingly, and his invention was characterized as rich in outward show, beautiful in effect as to the distribution of the light, and simple in contrivance. Most of the public edifices in Paris, now supplied with clocks, have dial-plates illuminated by these interior reflector.

Since the St. Louis Cathedral has been in the hands of the workmen for the purpose of being enlarged, the church-wardens applied to Mr. Stanislaus Fournier, an eminent clockmaker of this city, and an *elève* of the celebrated Lepante, of Paris, to put in complete repair the old clock of that edifice, and to furnish it with dials on the plan of M. Dorey, illuminated by night with interior reflectors. That gentleman, in undertaking the task, sent to Paris for a glass dial, in order to made an experiment before he proceeded to work on the cathedral clock. How he has succeeded may be seen every evening before the Louisiana Bank, the liberal directors of that institution having given him permission to exhibit his dial-plate above their principal entrance.

This is a singularly beautiful object to look at from the street; but there is something still more interesting connected with it. This consists in the method employed for setting the hands in motion, which is by electricity. The scientific world had long sought for a means of applying the electric current toward marking the hour on dial-plates, separated from the clockwork, and only connected thereto by conducting wires, and it is but recently that the desire was accomplished. Mr. Fournier, who is familiar with such pursuits, determined on joining a second experiment to that of illuminating the face of the clock, and he has succeeded equally as well in the latter as the former. At the Bank of Louisiana there is nothing but the dial, and the hour and minute hands; the clock is in Mr.

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F.'s store, 76 Royal Street, where also is the galvanic pile from which the conducting wire leads to the bank, past the adjoining houses, and along which the electric current travels that moves the hands. A person standing in the street can see both by day and night the progress of the minute-hand, which moves every half-minute. We examined the apparatus for applying this novel and beautiful *motive* power at Mr. Fournier's store yesterday afternoon, and can truly say that it is a specimen of elegant simplicity of which he may well be proud, — it is emphatically as simple as a toy. The manner in which the electric current is alternately arrested and released, in order to keep pace with the march of the contiguous clockwork, and to go forth every half-minute as a fiery messenger to operate on the distant hands on the dial-plate, is beyond all praise, making the spectator wonder at the extraordinary resources of art in this extraordinary age. It is, of course, well understood that the electric current will act as well on the hands, if the dial-plate be fixed at the extremity of the Third Municipality, at Lafayette, or, indeed, at any other distant spot, and that the minute and hour will be as correctly indicated. Distance between the clockwork and the dial will not in the least delay or interfere with the action of the current.

Last evening, which is the first time the dial at the Bank of Louisiana was illuminated, numbers of our fellow-citizens stopped and gazed with admiration at its refulgent appearance; the half-minute movement of the long hand seemed to puzzle whilst it amused those uninitiated into the secret of the experiment.

We recommend all our citizens who take an interest in every new triumph of science to direct their steps, should leisure permit, in the direction of Conti Street to-night, in order to witness this elegant novelty. We signalize, also, to their notice the two inventions thus illustrated by Mr. Fournier, as worthy their best patronage. We think all our public edifices should have clocks in front of them, and certainly, since it is so easy to give them illuminated dial-plates, the use as at present of opaque ones should be discarded.

The hands of a clock, constantly visible day and night, have been found to subserve society in a higher way than by merely indicating the measure of time. They often act as monitors, particularly when pursuing their silent watch at night over the dial-plate that beams with a sweet, mild lustre, and seem to say at each onward step, —

> "Seize the moments as they fly,
> Learn to live, and learn to die."

In reference to the employment of electricity in moving the hands, it is pregnant with the greatest advantages to all large communities. A single clock might be made to serve a dozen dials, or even more, all in distant parts of the same city. This is a subject worthy the attention of the municipal councils, as the invention unites accuracy with economy. One good clock might serve the whole of the public buildings in the three municipalities.

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BANK STATISTICS.

Redemption of New York Broken Bank-Notes.

Official Notice from the Comptroller of the State of New York.

State of New York. — Comptroller's Office, Albany, May 1, 1850. — In pursuance of the act entitled "An act to provide for a final distribution of the funds held by the Comptroller belonging to the creditors of insolvent banks and bankers," passed April 10, 1850:

Notice is hereby given to the holders of the circulating notes issued by the following insolvent banks, that the circulating notes of said banks outstanding must be presented at this office for payment within six months from this date; and that any of such circulating notes which shall not be presented within the time thus specified, will cease to be a charge or claim upon the funds of said banks remaining in the hands of the Comptroller.

The holders of said notes will receive the amount herein specified on presenting the same to Daniel B. St. John, Chief Register of the Free Banking Department.

Names of Banks.	*Secured by*	*Rate of Redemption.*
Allegany County Bank,	Stocks, bonds, and mortgages,	50 cents.
" " "	Stocks,	36 "
Bank of America, Buffalo,	Stocks, bonds, and mortgages,	76 "
" " "	Stocks,	78 "
Bank of Commerce, Buffalo,	Stocks,	76 "
Bank of Lodi,	Stocks, bonds, and mortgages,	97 "
" "	Stocks,	83 "
Bank of Olean,	Stocks, bonds, and mortgages,	74 "
" "	Stocks,	87 "
Bank of Tonawanda,	Stocks,	68 "
Bank of Western New York,	Stocks,	75 "
Binghampton Bank,	Stocks, bonds, and mortgages,	74 "
" "	Stocks,	79 "
Cattaraugus County Bank,	Stocks, bonds, and mortgages,	77 "
" " "	Stocks,	85 "
Chelsea Bank, New York,	Stocks,	25 "
City Trust and Banking Company,	Stocks,	Par.
Erie County Bank,	Stocks, bonds, and mortgages,	60 "
" " "	Stocks,	72 "
Farmers' Bank, Orleans,	Stocks, bonds, and mortgages,	Par.
Farmers' Bank, Seneca County,	Stocks, bonds, and mortgages,	74 "
" " "	Stocks,	Par.
Farmers and Drovers' Bank, Erie Co.,	Stocks,	Par.
Mechanics' Bank, Buffalo,	Stocks, bonds, and mortgages,	63 "
Merchants' Exchange Bank, Buffalo,	Stocks, bonds, and mortgages,	65 "
" " " "	Stocks,	81 "

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Millers' Bank, Clyde,	Stocks, bonds, and mortgages,	94 cents.
" " "	Stocks,	Par.
New York Banking Company,	Stocks,	42 "
Phœnix Bank, Buffalo,	Stocks, bonds, and mortgages,	73 "
State Bank of New York, Buffalo,	Stocks,	30 "
Staten Island Bank,	Stocks, bonds, and mortgages,	56 "
St. Lawrence Bank,	Stocks, bonds, and mortgages,	50 "
" "	Stocks,	32 "
Tenth Ward Bank,	Stocks,	94 "
Union Bank, Buffalo,	Stocks,	81 "
United States Bank, Buffalo,	Stocks, bonds, and mortgages,	77 "

WASHINGTON HUNT, Comptroller.

BANKS OF CONNECTICUT.

There has been an increase of $ 1,431,873 in the capital of the banks of Connecticut since April, 1846, viz. : —

For the year ending April 1, 1847,	$ 130,112	
" " 1848,	120,639	
" " 1849,	259,535	
" " 1850,	921,587	$ 1,431,873

Since April, 1849, the following banks have increased their capital stock, viz. : —

Location.	*Name.*	*Increase.*	*Capital*, 1850.
Hartford,	Exchange Bank,	$ 10,000	$ 1,134,600
"	Farmers and Mechanics' Bank,	11,900	557,100
New Haven,	New Haven County Bank,	1,400	517,075
Bridgeport,	Connecticut Bank,	8,100	335,200
Danbury,	Danbury Bank,	8,580	98,080
Norwich,	Thames Bank,	57,000	319,400
"	Merchants' Bank,	18,388	210,129
Mystic,	Mystic Bank,	100	52,800
Middletown,	Middlesex County Bank,	2,500	223,500
Saybrook,	Saybrook Bank,	28,140	51,790
Brooklyn,	Windham County Bank,	400	63,100
Falls Village,	Iron Bank,	370	105,950
Waterbury,	Waterbury Bank,	152,215	200,000
Birmingham,	Manufacturers' Bank,	46,064	82,334

And the following new banks have commenced operations: —

Location.	*Names.*	*Capital*, 1850.
Hartford,	State Bank,	$ 279,885
Bridgeport,	Farmers' Bank,	127,790
Winsted,	Winsted Bank,	74,235
Deep River,	Deep River Bank,	45,000
Pawcatuc,	Pawcatuc Bank,	49,520
	Addition to old banks,	345,157
	Total increase of capital since April, 1849,	$ 921,587

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CONDITION OF THE BANKS OF CONNECTICUT, APRIL 1, 1850.

Compiled for the Bankers' Magazine from the Official Reports.

Liabilities.

BANKS.	*Capital Stock.*	*Bills in Circulation.*	*Due Banks in this State.*	*Due Banks out of this State.*	*Deposits.*	*Dividends Unpaid.*	*Surplus Fund.*	*Undivided Profits.*	*Total Liabilities.*
Hartford Bank, Hartford,	$ 1,134,600	$ 442,651	$ 26,867	$ 63,357	$ 226,359	$ 4,663	$ 136,367	$ 26,229	$ 2,061,096
Phœnix and Branch Bank, Hartford,	1,285,600	453,306	21,500	29,600	191,343	2,733	121,528	64,109	2,171,684
Farmers and Mechanics' Bank, Hartford,	557,100	318,130	11,219	31,254	166,940	1,639	82,987	29,080	1,198,650
Exchange Bank, Hartford,	535,000	278,965	13,369	38,757	110,041	2,033	34,770	14 172	1,027,099
Connecticut River, Hartford,	250,000	118,970	733	2,960	41,230	1,309	14,198	7,111	436,514
State Bank, Hartford,	279,885	204,685	7,576	1,862	139,579	. . .	. . .	20,871	654,460
New Haven Bank, New Haven,	364,800	143,361	1,926	1,720	94,123	1,530	13,913	11,638	633,013
New Haven County Bank, New Haven,	517,075	312,207	4,692	14,428	86,667	1,242	35,000	14,316	985,629
City Bank, New Haven,	500,000	220,930	320	12,725	118,332	604	20,736	10,430	884,080
Mechanics' Bank, New Haven,	300,000	154,517	7,633	28,505	143,339	707	17,372	8,561	660,636
Bridgeport Bank, Bridgeport,	210,000	214,656	3,309	7,313	57,835	580	28,340	6,301	528,338
Connecticut and Branch Bank, Bridgeport,	335,200	190,500	11,074	1,688	71,098	1,122	30,898	9,956	651,539
Farmers' Bank, Bridgeport,	127,790	133,302	34	5,829	37,049	. . .	. . .	5,389	309,394
Fairfield County Bank, Norwalk,	100,000	166,460	9,082	997	40,227	. . .	15,399	4,420	336.587
Stamford Bank, Stamford,	60,000	90,976	903	4,168	36,512	571	9,466	959	203,559
Danbury Bank, Danbury,	98,080	123,702	6,639	. . .	24,437	202	10,369	2,630	266,062
Norwich Bank, Norwich,	210,000	68,384	6,221	24,626	73,093	374	13,150	5,652	401,501
Thames Bank, Norwich,	319,400	93,486	63	. . .	46,199	1,521	8,806	2,931	473,832
Merchants' Bank, Norwich,	210,129	83,482	1,632	1,111	96,442	1,902	11,180	2,010	417,641
Quinebaug Bank, Norwich,	250,000	79,826	4,733	710	83,577	451	7,343	6,308	432,951
Union Bank, New London,	100,000	85,804	3,347	. . .	22,994	188	10,350	3,179	225.363
Whaling Bank, New London,	163,750	58,800	4,586	362	19,846	279	11,064	4,103	262,871
New London Bank, New London,	150,878	64,653	1,757	. . .	19,108	472	5,790	3,123	245,179
Mystic Bank, Mystic,	52,800	57,165	1,488	. . .	23,086	262	8,530	1,477	144,810
Stonington Bank, Stonington,	59,650	38,565	155	705	20,330	505	9,330	2,605	131,847

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Jewett City Bank, Jewett City,	44,000	27,186	813	7,001	3,720	232	2,930	823	86,679
Middletown Bank, Middletown,	369,300	105,349	6,053	506	74,579	1,133	9,862	7,615	599,317
Middlesex County Bank, Middletown,	223,500	100,810	6,681	. . .	50,881	528	12,737	5,042	400,522
East Haddam Bank, East Haddam,	71,240	43,311	. . .	4	10,252	834	9,618	971	136,232
Saybrook Bank, Saybrook,	51,790	65,564	. . .	. . .	23,324	117	1,375	1,565	143,737
Windham Bank, Windham,	60,000	39,217	. . .	99	8,709	722	3,697	255	112,700
Windham County Bank, Brooklyn,	63,100	64,337	. . .	. . .	9,244	2,534	3,422	. . .	142,638
Thompson Bank, Thompson,	60,000	48,968	. . .	. . .	8,412	2,539	5,119	. . .	125,039
Tolland County Bank, Tolland,	80,800	95,924	20,075	. . .	49,197	3,368	17,141	. . .	266,505
Meriden Bank, Meriden,	155,000	61,123	620	. . .	14,074	136	3,678	6,221	240,855
Iron Bank, Falls Village,	105,950	86,611	474	530	23,057	. . .	16,468	1,463	234,653
Waterbury Bank, Waterbury,	200,000	99,378	581	. . .	55,784	303	1,700	4,416	362,164
Manufacturers' Bank, Birmingham,	82,334	75,110	35	. . .	16,513	27	997	4,110	179,127
Winsted Bank, Winsted,	74,235	82,500	503	. . .	8,005	. . .	8,006	. . .	173,250
Deep River Bank, Deep River,	45,000	38,640	1,449	. . .	10,028	. . .	. . .	2,243	97,361
Pawcatuc Bank, Pawcatuc,	49,520	22,414	. . .	84	2,354	. . .	. . .	2,157	76,580
	$ 9,907,503	$ 5,253,884	$ 187,855	$ 280,913	$ 2,357,939	$ 37,372	$ 753,654	$ 304,396	$ 19,122,209

BANK CAPITAL OF TOWNS IN CONNECTICUT, 1850.

	No. Banks.	*Capital.*		*No. Banks.*	*Capital.*		*No. Banks.*	*Capital.*
Hartford,	6	$4,042,185	Norwalk,	1	$100,000	Windham,	1	$60,000
New Haven,	4	1,681,875	Danbury,	1	98,080	Stonington,	1	59,650
Norwich,	4	989,529	Birmingham,	1	82,334	Mystic,	1	52,800
Bridgeport,	4	672,990	Tolland,	1	80,800	Saybrook,	1	51,790
Middletown,	2	592,800	Winsted,	1	74,235	Pawcatuc,	1	49,520
New London,	3	414,628	East Haddam,	1	71,240	Deep River,	1	45,000
Waterbury,	1	200,000	Brooklyn,	1	63,100	Jewett City,	1	44,000
Meriden,	1	155,000	Stamford,	1	60,000			
Falls Village,	1	105,950	Thompson,	1	60,000			

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CONDITION OF THE BANKS OF CONNECTICUT, APRIL 1, 1850.

Compiled for the Bankers' Magazine from the Official Reports.

Resources.

BANKS.	*Real Estate.*	*Coin.*	*Bank Notes and Checks.*	*Bank Balances.*	*Loans.*	*Stocks, Bonds, and Mortgages.*	*Miscellaneous.*	*Total.*
Hartford Bank, Hartford,	$ 15,000	$ 65,340	$ 37,325	$ 66,571	$ 1,875,120	$ 1,741	$ . .	$ 2,061,096
Phœnix Bank and Branch, Hartford,	37,510	56,412	12,806	52,230	2,006,913	. . .	5,813	2,171,684
Farmers and Mechanics' Bank, Hartford,	12,000	56,776	9,204	30,725	1,081,635	5,000	3,310	1,198,650
Exchange Bank, Hartford,	18,565	32,056	17,560	50,902	906,558	111	1,348	1,027,100
Connecticut River Bank, Hartford,	7,000	12,120	6,154	16,498	375,946	18,000	796	436,514
State Bank, Hartford,	. . .	21,688	5,675	28,311	584,326	. . .	14,460	654,460
New Haven Bank, New Haven,	7,900	17,181	2,584	89,790	514,237	160	1,191	633,013
New Haven County Bank, New Haven,	8,000	33,410	14,673	71,538	774,687	81,877	1,444	985,629
City Bank, New Haven,	61,225	23,017	13,170	90,525	663,348	31,250	1,545	884,080
Mechanics' Bank, New Haven,	17,000	16,844	25,763	68,414	532,465	. . .	150	660,636
Bridgeport Bank, Bridgeport,	8,000	21,938	8,040	92,785	396,480	500	594	528,337
Connecticut Bank, Bridgeport,	28,837	19,368	23,026	73,630	462,578	43,682	418	651,539
Farmers' Bank, Bridgeport,	. . .	13,036	11,508	6,700	230,516	41,000	6,635	309,395
Fairfield County Bank, Norwalk,	6,416	17,090	11,718	51,346	238,359	10,710	948	336,587
Stamford Bank, Stamford,	4,598	8,753	9,206	6,135	171,038	3,660	170	203,560
Danbury Bank, Danbury,	6,045	13,948	4,780	18,424	194,553	28,812	. . .	266,062
Norwich Bank, Norwich,	6,633	8,408	8,180	15,776	333,296	29,142	67	401,502
Thames Bank, Norwich,	10,108	9,065	12,627	3,640	432,884	5,320	188	473,832
Merchants' Bank, Norwich,	12,000	8,581	7,243	17,287	373,355	. . .	176	418,642
Quinebaug Bank, Norwich,	72,960	8,126	12,435	18,718	299,085	21,090	538	432,952
Union Bank, New London,	2,500	8,824	15,444	22,590	168,300	7,956	250	225,864
Whaling Bank, New London,	100	7,200	6,914	36,528	188,380	23,750	. . .	262,872
New London Bank, New London,	3,500	5,920	300	35,740	199,720	. . .	. . .	245,180
Mystic Bank, Mystic,	600	8,000	2,266	24,920	108,820	. . .	204	144,810
Stonington Bank, Stonington,	500	10,932	3,602	15,234	101,056	. . .	523	131,847

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Jewett City Bank, Jewett City,	4,670	3,322	3,732	. . .	70,270	4,650	35	86,679
Middletown Bank, Middletown,	5,150	18,731	2,794	12,446	550,225	9,158	814	599,318
Middlesex County Bank, Middletown,	. . .	10,115	7,626	26,636	355,670	. . .	476	400,523
East Haddam Bank, East Haddam,	2,200	5,218	2,053	4,766	116,250	5,075	670	136,232
Saybrook Bank, Saybrook,	1,953	9,502	1,623	19,385	110,844	260	171	143,738
Windham Bank, Windham,	1,553	4,581	5,354	11,226	89,987	. . .	. . .	112,701
Windham County Bank, Brooklyn,	1,861	6,637	3,676	26,416	104,050	. . .	. . .	142,640
Thompson Bank, Thompson,	1,600	4,920	2,327	16,543	99,650	. . .	. . .	125,040
Tolland County Bank, Tolland,	2,355	16,095	4,956	29,587	213,512	. . .	. . .	266,505
Meriden Bank, Meriden,	4,480	7,400	1,025	15,885	211,695	. . .	370	240,855
Iron Bank, Falls Village,	3,180	11,005	5,280	37,198	177,896	. . .	94	234,653
Waterbury Bank, Waterbury,	8,028	11,749	3,380	10,050	228,460	. . .	498	262,165
Manufacturers' Bank, Birmingham,	624	7,866	1,952	12,755	155,121	435	374	179,127
Winsted Bank, Winsted,	. . .	8,074	19,536	10,107	132,215	. . .	3,318	173,250
Deep River Bank, Deep River,	2,420	5,232	2,558	9,896	74,651	. . .	2,604	97,361
Pawcatuc Bank, Pawcatuc,	2,910	4,036	885	. . .	67,062	. . .	1,687	76,580
Total Resources,	$ 389,981	$ 638,516	$ 350,960	$ 1,247,853	$ 15,971,183	$ 372,839	$ 51,879	$ 19,023,211

Comparative View of the Liabilities and Resources of the Banks of Connecticut in 1846, 1847, 1849, *and* 1850.

Compiled for the Bankers' Magazine from the Official Reports.

Liabilities.	*April*, 1846.	*April*, 1847.	*April*, 1849.	*April* 1, 1850.	*Resources.*	*April*, 1846.	*April*, 1847.	*April*, 1849.	*April* 1, 1850.
Capital,	$ 8,475,630	$ 8,605,742	$ 8,985,916	$ 9,907,503	Loans,	$ 13,032,600	$ 12,781,857	$ 13,740,591	$ 15,630,503
Circulation,	4,565,947	4,437,631	4,511,571	5,253,884	Bank balances,	1,036,552	1,250,411	1,087,757	1,247,772
Individual deposits,	1,813,821	1,751,655	2,100,272	2,357,940	Real estate,	366,956	349,045	332,751	389,982
Bank balances,	362,118	245,817	364,966	468,769	Specie on hand,	481,367	462,165	575,676	640,622
Surplus fund,	427,671	473,424	684,316	753,654	Bank notes,	276,758	227,481	196,273	348,964
Profits undivided,	169,346	231,426	260,430	304,396	Due from brokers,	380,342	332,542	385,860	439,640
Dividends unpaid,	78,152	31,267	33,220	37,372	Stocks,	315,210	301,903	522,010	372,843
Miscellaneous,	7,810	6,311	38,691		Miscellaneous,	2,900	79,368	106,084	51,878
Total Liabilities,	$ 15,892,685	$ 15,784,772	$ 16,947,002	$ 19,122,209	Total Resources,	$ 15,892,685	$ 15,784,772	$ 16,947,002	$ 19,122,209

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BANKING IN MAINE.

Extracts from the Annual Report of the Governor of Maine, May, 1850.

On recurring to the report of the Bank Commissioners, it will be seen that the aggregate of the bank capital in the State has been about the same for the past six years, varying but little from three millions of dollars, and that the circulation of the bills of the banks has not been subject to much fluctuation during that period, averaging about two and a quarter millions. It will also appear that the ratio which the circulation has borne to the capital has been greater for the last six years than during the preceding ten. The circulation in 1849 exceeded only by a very trifling amount the circulation in 1845. These facts would seem to indicate that the circulation has been extended (during the six years) to the utmost limits compatible with the restrictions imposed by the laws, and, secondly, that the circulation is not now commensurate with the demands of business, for it cannot be doubted that business has greatly increased since 1845, and that the interests of the stockholders would induce them to loan to the extent of their ability.

The united opinion of all reliable business men also confirms the fact that there is a deficiency in the circulating medium. If, then, we are to rely upon the banks for our circulating medium (as in the main we undoubtedly must, for the present at least), additional banking capital is required. Other means of investment have of late been looked upon with more favor. Railroads, manufactures, navigation, have presented stronger inducements to the capitalist, while they have occasioned an increased demand for money. Is it, then, the part of wisdom to discourage this mode of investment, — to impose upon bank capital burdens, from which capital otherwise invested is exempt? I would respectfully suggest the propriety of repealing the law which imposes a tax of one per cent. on our bank capital. If banking be an honest business, useful and necessary, as it is conceded to be, it should be fairly treated by the government; if not, it should be dispensed with altogether. Besides, are not the advantages supposed to be derived from the tax rather fanciful than real? The banks will endeavour to make their business productive, and the tax which they are compelled to pay to the State they will assess upon those who are obliged to do business with them; in other words, upon the whole community. The tax, therefore, comes directly from the pockets of the people, to be accumulated in the treasury, and then to be refunded, and distributed among them in another form.

The same remarks are equally applicable to the law making it imperative on the banks to loan to the State for less than the regular rate of interest. Should it be thought that the financial exigencies of the State may render necessary the occasional exercise of this power, sound policy, as well as the rules of fair dealing, would seem to require that the State should pay what individuals are by law compelled to pay for a like accommodation.

The rapidly increasing influx of gold from California will probably

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soon supply us with an abundance of the precious metals for all necessary banking and business operations. May it not, then, be safe to relieve the banks, to some extent, from the restrictions imposed by law upon their circulation? Specie existing among the people is likely to be quite as secure for the redemption of bills and for all purposes of public safety, as it is where the law now requires it to be.

For the last eight or ten years, the value of our paper currency has been more uniform than during any similar period since the foundation of our government, and there has consequently been greater security in all business operations. This fact goes far to show, that our banking system has improved, and that our banks are well managed.

MAINE.

Comparative View of the Banks of Maine, 1846 – 1850.

Liabilities.	*May*, 1846.	*May*, 1847.	*May*, 1848.	*4th May*, 1850.
Capital,	$ 3,009,000	$ 3,059,000	$ 2,920,000	$ 3,148,000
Circulation,	2,240,820	2,536,828	2,315,521	2,301,152
Profits undivided,	117,222	149,403	122,877	158,292
Bank balances,	93,710	46,002	112,955	85,258
Deposits,	1,257,646	1,263,627	1,129,773	884,453
Total Liabilities,	$ 6,718,398	$ 7,054,860	$ 6,601,126	$ 6,577,155
Resources.	*May*, 1846.	*May*, 1847.	*May*, 1848.	*4th May*, 1850.
Loans,	$ 5,391,113	$ 5,636,264	$ 5,189,088	$ 5,350,860
Bank balances,	769,095	809,352	579,143	487,850
Specie on hand,	219,068	259,995	521,536	424,196
Real estate,	191,714	170,432	129,006	113,464
Bills of Maine banks,	76,320	86,130	99,570	131,043
Bills of other banks,	71,088	92,687	82,783	69,743
Total Resources,	$ 6,718,398	$ 7,054,860	$ 6,601,126	$ 6,577,155

For further particulars of the Maine Banks, refer to pp. 476 – 478 of our last volume, in which the Capital, Circulation, Deposits, Loans, Bank Balances, Specie, and Dividend of each Bank are enumerated; also the Bank Capital of each town in the State.

The bank capital since October, 1849, has been increased $ 50,000, — this sum being added to the capital of the Sagadahock Bank, at Bath.

The aggregate dividends for the last six months were $ 121,175, an average of $ 3.85 per cent. or $ 7.70 per annum.

CAUTION. — NOTICE. Please to renew your notice to correspondents in New Orleans to refrain from using sealing-wax on their letters. Your mail, which arrived on Saturday, was half soldered together, and the letters could only be separated by defacing the superscriptions of some of them.

W. V. BRADY, P. M., New York.

To M. MUSSON, P. M., New Orleans.

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CANADA.

Extract from the Annual Report of the Bank of Montreal at a Meeting of the Shareholders, June 3, 1850.

It is matter of much gratification to the late Directors to be enabled to inform you, that there has been an active demand for the stock of this bank for some time past, so that its value has been advanced since the first of November last, from 10 per cent. discount, with dividend, to 3 per cent. premium, at which rate considerable sales were made before closing the transfer book, and which rate is fully warranted by the statement now submitted to the meeting.

No unusual feature in the business of the institution has occurred during the last twelve months; — it has been steady and free from losses of any importance. Some old debts, however, are realizing less than they were estimated at in our last and previous balance-sheets, and we have therefore made a reserve to cover them, out of the profits of the year just closed.

The amount of income from all sources, expenses of management deducted, has been		£72,751
There have been deducted two half-yearly dividends of 3 per cent., making	£45,000	
Amount of tax on circulation	3,975	
Amount applied to the reduction of the value of real estate	996	
Amount reserved to cover positive and probable losses	11,796	61,767
Making amount added to contingent fund		£10,984
Raising it to the sum of		30,043
The average amount of discounts has been		1,201,699
The average amount of deposits		302,423
The average amount of circulation		397,548
The average amount of specie on hand		144,106

In the course of the last summer the Vice-President, Mr. Anderson, accompanied by Mr. Lee, the then Accountant of Branches and Agencies, visited and carefully inspected all the establishments of the Bank in Western Canada, and reported on each separately, which were found generally in a satisfactory state, and the Cashier recently inspected the Branch at Quebec, under the management of Mr. Gunn, where he found every thing correct, and reported thereon very favorably.

The constant zeal and attention of the Cashier, Mr. Simpson, to the interests of the institution, and the conduct of the officers generally, have merited the approbation of the Board.

Liabilities, May 18, 1850.

Capital stock	£750,000	0	0
Bank notes in circulation	448,053	15	0
Dividends due	23,599	18	10
Reserve fund	30,048	3	9
Deposits	357,310	16	7
Balances due banks in the Province	1,719	16	9
Total Liabilities	£1,610,732	10	11

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Resources, May 18, 1850.

Gold and silver coin on hand	£126,280	9	6
Notes and checks of other banks on hand	11,497	0	7
Real estate	43,525	18	0
Provincial securities	24,250	0	0
Bonds and obligations	49,177	1	6
Balances due by foreign agents	83,644	10	2
Balances due by agencies, exclusive of Montreal Bank notes	40,883	11	1
Notes discounted	1,231,474	0	1
Total Resources	£1,610,732	10	11

Bank of Montreal, 18th May, 1850. A. SIMPSON, Cashier.

CITY BANK, MONTREAL.

The annual meeting of the stockholders of the City Bank was held at the banking-house, in Montreal, at noon on Monday, the 3d day of June, 1850.

Extracts from the Annual Report to the Shareholders.

THE heavy losses sustained by the bank for several years previous, and other adverse circumstances, having prevented the usual declaration of dividends, from 1st December, 1847, and produced very considerable discontent and excitement among the stockholders, it was deemed expedient to call them together at as early a period as possible in the beginning of the past year (1849), and accordingly an extraordinary general meeting was called for the 10th day of March, 1849. This meeting was numerously attended, and after much discussion on the affairs of the bank, the stockholders then decided upon the following course of proceeding, as the best to be adopted under all the circumstances: —

1. To meet the heavy losses of the bank, by a reduction of the capital, 25 per cent., making each share of stock $75 instead of $100.

2. To reduce the number of Directors to *five* instead of *eleven*, as previously, and to increase the qualification of each Director to 40 shares of stock instead of 20 shares, the then existing qualification.

3. To apply to the Legislature then in session, for permission to alter the charter of the bank in conformity with these changes.

These recommendations were accordingly carried out, and the necessary sanction of the Legislature obtained to an amended charter embracing them, and under this charter so amended, the present Board of five Directors came into office at the annual meeting in June last.

The former Cashier, Mr. Castle, having in the mean time resigned his post, the first attention of the new Board was directed to the filling up of that important vacancy, and in this duty the Board are happy to report they have been eminently successful in the appointment of the present Cashier, Mr. Macculloch, who has since filled the office with unwearied zeal and much ability, under most adverse and trying circumstances.

Before proceeding farther, it will be proper here to mention, that when the reduction of 25 per cent. upon the capital stock was decided upon at the general meeting in March, 1849, it was then understood and believed

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that this reduction of the capital covered all previous losses sustained by the bank, and that the remaining 75 per cent. of the stock would be unencumbered with any furthur drawbacks from then existing losses, but in this a perplexing disappointment was experienced by the subsequent discovery of a discrepancy of £ 19,000 in the account of "Notes Discounted."

A fresh apparent loss was thus to be contended against, and accounted for, in the discovery or unravelling of which the Board have ever since been in search; this duty, which is still in progress, has involved a most tedious and minute examination of the books of the bank for the last 13 years; and from the mass of papers and figures to go through, and the extreme difficulty in tracing items, from the absence of proper references, and from part of the books having been accidentally burned, it has been found very trying and laborious; but the results already obtained go to show its great importance, and the necessity of its continuance. . . . . .

The Quebec Agency during the past year has not yielded a return by any means commensurate with the capital employed there, but the large circulation and other benefits obtained through this branch in former years induced the Board to hope for a beneficial change ere long.

The average circulation obtained through this agency for eight years previous to 1849 was over £ 80,000; at one period during that time, August, 1846, it was £ 144,000. The net profits for eight years above named, say eight years previous to 1849, amounted to over £ 46,000. These results of the past leave just grounds for believing that the future returns from this agency will be more satisfactory; in the mean time, the necessity of looking after and realizing the large amount of outstanding claims there leaves no choice but to continue it.

When, however, as in the present case, the available or active means of a bank become limited, and not more than sufficient to meet the legitimate demands of customers doing business at the head office, great caution should be used in extending operations in the shape of promiscuous discounts at agencies. Such a policy only embarrasses the parent institution, by throwing out an unchecked circulation, insidiously increasing the balances due to other banks, and finally drawing the specie from the vaults.

In reviewing the past administration of the bank, it is too evident that a great proportion of the former difficulties against which the bank had to contend were traceable to this evil, for whilst at the head office here great stringency and caution were continually practised by the Board, and almost a constant inability felt to grant that accommodation which the legitimate business of the bank seemed to demand, the agencies were comparatively unchecked in their discounts, a large proportion of the circulation set afloat in this way rapidly found its way here, and not unfrequently, when most injurious and least anticipated, turned the balances against the bank on specie days, to the great inconvenience and loss of the parent institution.

The Board have also pleasure in reporting a gradual increase of business at the bank, an improvement in deposit accounts, and an

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increase in our circulation here. This increase, however, has been nearly counterbalanced by a decrease at Quebec for the time.

The wear and tear of our bills having rendered the issue of new bills necessary, the Board decided upon drawing in the old circulation and replacing it with a different plate previously in possession of the bank; and, as this process will soon draw in all the old circulation, the new Board now coming into office will probably ascertain during the ensuing year the amount which the bank may have gained by the destruction or loss of its bills during the last 17 years. This amount has been put down at £ 7,000, and in view of the numerous fires which have taken place within the last ten years, and the two great fires at Quebec, where our circulation was so large, it is thought by many competent to judge that the above estimate will be within the amount actually destroyed, and of course gained to the bank.

The Board newly elected met on the 4th instant, when WM. WORKMAN was reëlected President, and WM. LYMAN, Vice-President.

Liabilities and Resources of the City Bank of Montreal, June 1, 1850.

Capital stock		£221,793 15 0
Bills in circulation		90,919 15 0
Dividends unpaid		979 10 1
Dividend No. 2, payable 3d June		5,544 16 10
Deposits not bearing interest	£26,115 12 2	
Deposits bearing interest	9,073 9 5	35,189 1 7
Balances due to other banks		2,652 11 7
Reduction of capital fund, reserved to cover losses not yet ascertained		12,604 14 5
Contingent fund		7,456 7 10
Total Liabilities		£377,140 12 4

Resources.

Gold and silver coin	£31,178 6 2	
Checks and bills of other banks	16,104 16 6	£47,283 2 8
Real estate		9,517 16 6
Balances due by other banks		3,663 4 4
Harbour and other government securities		86,140 0 0
Balances due by agents		2,297 9 5
Balances due by foreign agencies		7,575 19 8
Bonds and obligations	20,549 12 1	
Less fund to cover losses	4,700 0 0	15,849 12 1
Discounted notes and bills of exchange under protest		21,410 4 5
Notes discounted and other debts		172,311 6 6
Suspense account remaining undiscovered		11,091 16 9
Total Resources		£377,140 12 4

F. MACCULLOCH, Cashier.

City Bank, Montreal, 1st June, 1850.

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UNITED STATES MINT.

Official Statements of the Deposits and Coinage at the Mint of the United States and Branches in the Year 1849.

DEPOSITS FOR THE YEAR 1849.

Gold.	*Charlotte.*	*Dahlonega.*	*New Orleans.*	*Philadelphia.*
U. S. Coins			$ 3,902	$ 37,318
Foreign Coins			437,130	4,483,091
U. S. Bullion	$ 390,732	$ 252,974	677,985	5,767,092
Foreign Bullion			6,728	186,223
Total Gold in 1849	$ 390,732	$ 252,974	$ 1,125,745	$ 10,473,724
Silver.				
Foreign Coins			$ 1,242,552	$ 873,448
Foreign Bullion			78,477	132,699
U. S. Bullion				39,112
Total Deposits	$ 390,732	$ 252,974	$ 2,446,774	$ 11,518,983

COINAGE FOR THE YEAR 1849.

Gold Coinage.	*Charlotte.*	*Dahlonega.*	*New Orleans.*	*Philadelphia.*
Eagles, value			$ 239,000	$ 6,536,180
Half-Eagles, value	$ 324,115	$ 195,180		665,350
Quarter-Eagles, value	25,550	27,362½		58,235
Gold Dollars "	11,634	21,588	215,000	688,567
Total, Gold	$ 361,299	$ 244,130½	$ 454,000	$ 7,948,332
Silver Dollars, value				$ 62,600
" Half-Dollars, value			$ 1,155,000	626,000
" Quarter-Dollars, value				85,000
Dimes			30,000	83,900
Half-Dimes			7,000	65,450
Copper				41,984
Total, Gold, Silver, and Copper,	$ 361,299	$ 244,130½	$ 1,646,000	$ 8,913,266

Our readers are referred to page 974 of our last volume for a copious and valuable table, prepared at the Mint, showing the annual deposits and coinage from American mines for each year, from 1837 to 1849.

THE NEW ORLEANS MINT. — The mint in this city is now in full operation, turning out *double* eagles with such rapidity, that they will soon work up the immense heap of "the root of all evil," which was so long locked up in its vaults, to the great inconvenience of many parties. As a small piece requires as much time to coin as a larger one, the plan adopted by the mint is judicious, of applying their force to the double eagle, as it will enable them to work up the accumulated stock of gold in a very short period. Our California friends may now continue to forward their gold to this city, as it can now be coined here with the greatest promptness. — *New Orleans Bulletin, June,* 1850.

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WESTERN PENNSYLVANIA AND PITTSBURGH. — The Board of Trade of Pittsburgh, in a memorial to the Legislature, say that the present banking capital of Pittsburgh is $2,800,000, with a circulation of $950,000; whereas, twelve years ago, the banking capital of the city was $3,800,000, with a circulation of $6,100,000. They also state that the increased business of the place requires a much larger amount of capital; and, to show that they do not deal in mere assertions, they give the following important facts.

In Pittsburgh and its immediate vicinity there are now thirteen rolling-mills, besides five others within the compass of fifty miles. There are also sixty foundries and engine-shops, consuming 20,000 tons more pig metal, and yielding, with the labor employed, about $2,000,000. With a great many glass, there are also six large cotton factories, together with other kinds of manufacturing establishments, in the city, producing articles of not less than $5,000,000 more, which, with say $5,000,000 annually paid for labor in the establishments, will make $10,000,000. The number of blast furnaces in Clarion, Venango, Mercer, Butler, and other counties in Northern and Western Pennsylvania, is now one hundred and fifty, sending to this market near about one hundred thousand tons of metal, and valued between two and three millions of dollars. The amount of lumber also brought from the northern counties is very great. There is now annually exported from the counties of Westmoreland, Fayette, and Washington, on the Monongahela Improvement, about 6,000,000 bushels of coal, producing in all about $400,000. There are also about 12,000,000 bushels annually consumed in our manufacturing establishments in this city and vicinity, valued at about half a million of dollars, and all dependent upon our Pittsburgh banks for their accommodations. To sum up the whole, the increase of business in all the various branches, within the past ten years, has not been less than three hundred per cent.

CHRONICLES OF THE STOCK EXCHANGE.

CHAPTER XV.

Loan to Guatemala. — Dispute concerning it. — Greek Loan. — Its Mismanagement. — Asserted Jobbing. — Mr. Hume. — Dr. Bowring. — Quarterly Review. — Proposed Tax on Transfers.

GUATEMALA was a further specimen of loan-making. According to custom, Barclay & Co. announced that they were appointed agents to the above state, and were prepared to receive tenders for a loan to the amount of £1,500,000. The house of Powles & Co. stood highest on the list; and it was publicly stated that their offer of sixty-eight per cent. was accepted. The first payment was to be made on the 22d of September, 1825; and should either of the instalments not be made, those previously received were to be forfeited. The price was considered low; and Mr. Alderman Thompson took £10,000 of the loan, at an advance of five

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per cent., paying £4000 as a deposit to Barclay & Co., as the agents. When the sixth instalment became due, Powles & Co. advised Mr. Thompson not to pay it, as a serious disagreement had arisen between the government of Guatemala and their agents.

It appeared that Barclay & Co. had induced Powles & Co. to allow their names to appear as contractors for the whole, while Barclays were the real possessors of a million of that stock, the whole of which they publicly announced had been taken by Powles. The news, however, reached South America; and the government, indignant at this conduct, repudiated the acts of Barclay, refusing to pay any dividend on the loan. Under these circumstances, the purchaser declined to pay any more instalments, and Barclay declared the previous deposits to be forfeited.

Mr. Thompson appealed to the courts of law; but law and equity rarely go hand in hand. The defendants contended that six per cent. was usurious; the justice of the case was one thing, but international law was another; and it was, therefore, a triumph, — but one which few would envy, — when the Vice-Chancellor "confessed that the case appeared such as would entitle the plaintiff to the equitable relief prayed; but, as contracts for loans were illegal if the contractors were at war with an ally of England, it could not be entertained as a subject of suit."

It is not to be wondered at that this willingness to lend found a corresponding willingness to borrow. It was not alone the South American states that came into the market; nor was it only republican dictators who were anxious to borrow. Denmark accepted £3,000,000, Portugal took £1,500,000, and Russia £3,500,000.

From this period up to 1825, loans to foreign places — foreign powers they cannot be called — were very frequent. Brazil borrowed £3,686,200 in 1824, and in 1825 two millions more. Buenos Ayres followed the good example, received one million, and then omitted to pay the dividend; while Mexico took £6,400,000. The emancipation of this country from the yoke of Spain was a fair specimen of the liberal principles of the Liberals of this period. Augustin Iturbide matured a plan to emancipate Mexico; and, having expelled the Spaniards, established a regency, nominated by himself, formed of his own creatures, and controlled by his own will. The army was with him, the usurpation of the throne followed, and the dictator was proclaimed emperor. The crown was made hereditary, his sons were to be princes, a million and a half of dollars were settled on him, and all the accessories of royalty were established.

A million and a half of dollars were more easily voted than procured. Money was scarce, and the new emperor exacted it with severity. The people grew disgusted; the opposition saw its time; disaffection spread to the troops; and Iturbide tendered his resignation to the senate he had formed. It need scarcely be added, that the dividends were as difficult to get from Mexico as they were from Peru.

But the Greek loan was the most extraordinary feature of the period; and with it is concluded the present rapid sketch of the bubbles of 1825.

The history of its mismanagement is one of those strange records of

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which the writer has seen so many during his search into the by-ways of financial history. It must be in the memory of many, that, for some years previous to 1824, the arm of the Greek was lifted in resolute, though almost hopeless, resistance against the Ottoman. When the intelligence reached England, that the nation whose tongue was classic, whose statuary was regarded with despairing wonder, whose records formed one of the finest pages of history, was, after centuries of subjugation, striving to obtain freedom, a genuine enthusiasm pervaded English society. The antique grandeur of Greece was remembered; the ancient glory of her peop'e brought to mind; names which had roused the enthusiasm of schoolboys were repeated; the clime which had produced the great men of a great age was in every man's thought; dreams of renewed glory were in every man's brain; and on every man's tongue, and in every man's heart, were the virtues of that past world revived. Of this feeling the subtle Greek availed himself, and negotiations were entered into to procure a loan. The proposal was favorably received by the Stock Exchange. In 1824, two agents of the Greek government, or deputies, as they were popularly called, arrived in London; and loans to the amount of £1,602,000 were raised for the service of Greece. This sum was not placed uncontrolled in the power of the deputies, the sanction of Mr. Edward Ellice, Mr. Joseph Hume, and another, being necessary to its appropriation. After much hesitation, 50,000 sovereigns were despatched to aid the cause; but when they arrived, the government of that unhappy country refused to give any pledge as to their worthy employment. The emissaries declined to part with their treasure without; and, to the alarm of the Greeks, they saw this large amount sailing from their shore. Any pledge would now have been given; and the English emissaries were followed with protestations and promises, which meant nothing but an earnest desire for the gold. Scarcely had the ill-fated vessel returned, ere the yellow fever attacked the crew. Helpless and dying, they reached the Asiatic coast; and their money was taken by the Greek government with an avidity which did not affect disguise.

Mismanagement marked the progress of the cause in Europe as in Asia. Two excellent Swedish vessels were offered for £47,000. Time was success, and, instead of purchasing vessels ready for action, contracts were made with America for two frigates at £160,000. A cavalry officer was appointed to superintend the naval department, and in two months and a half five steamboats were to be placed at the disposal of Lord Cochrane. "Within a few weeks," said Mr. Ellice, rather more pompously than to the purpose, "Lord Cochrane will be at Constantinople, and burn the Turkish vessels at that port. Cochrane will suffice for admiral and general. He will clear Greece of the Turk." "Give yourselves no further concern about the matter," said Sir Francis Burdett, speaking as familiarly of war as of reform; "your country shall be saved." But though Sir Francis Burdett and Mr. Ellice said it, the country was not saved. After spending £155,000 on two frigates, £50,000 more were required to finish them. This was not forthcoming, and the vessels were seized. All seemed anarchy and confusion.

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Schemes of the most extravagant character were propounded. Three very important towns were to be besieged and carried by one thousand men. A free press was to shed light and lustre around. Improvements which were impracticable, and a constitution which could not be carried, were promised.

During this unhappy period, the news of cities burned to the ground, and forts stormed, of besieged places sacked after months of heroic resistance, aroused the public; and a storm of indignation was poured upon projectors, deputies, and proprietors. The flagrant enormities of the management were exposed, the military projects discussed, the financial artifices denounced; and attention was pointed, through the report of the committee, at two, whose voices, loud in the cause of Greece, were said to be louder in their own. Joseph Hume, a member of the senate, and John Bowring, a linguist and a scholar, were on the committee. Reports which touched the honor of both were in free circulation. Political feeling, perhaps, prompted many of the remarks; and the public press asserted that to which no honorable man could submit. Mr. Merle, at a public meeting, said "he had been told that certain portions of the Greek loan had been appropriated to Mr. Hume; that those bonds had not been taken up; and that they had afterwards been sold at a great loss to the Greek government."

"Mr. Hume," wrote a daily paper, "has been publicly accused of fraud and hypocrisy, in throwing upon the Greek nation the loss which attended a speculation of his own, while acting in the assumed character of a friend to the cause."

It was proved that one million had been wasted in commissions and military preparations, in Stock Exchange transactions and Stock Exchange jobbing. The Greek deputies received allowances larger than those paid to the diplomatic agents from great courts. Mr. Hume, in his ardor for Greece, had £10,000 assigned him of the first loan. The price fell sixteen per cent., and his ardor was said to have fallen in proportion. Alarmed at a loss so great, the senator endeavoured to release himself from the burden; but when he applied to the deputies and contractors, he was met with the reply, that, had the stock risen, he would not have returned the gain. The argument was sound, but the head is obtuse when the purse is endangered; and Mr. Hume — clear-headed generally — could not see the fairness of the position. After some correspondence, the deputies agreed to take it off Mr. Hume's hands, at thirteen instead of sixteen per cent. discount; thereby saving Mr. Hume £300 out of the loss of £1,600 which he first feared. In time, the Greek cause grew prosperous, the stock rose to par, and Mr. Hume, with a singular power of perception compared with his previous notions, claimed the £1,300 which he had lost. The surprise of the deputies may be imagined, and they must have had curious ideas of the way in which the friends of Greece wished to serve her. Mr. Hume, however, was powerful; Mr. Hume was a senator; and to Mr. Hume was accorded a privilege for which others might have looked in vain. But a further question arose. Mr. Hume, remarkable for the closeness of his calculations, discovered that £54 was due for interest. This he applied for, and this was granted.

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The defence of Mr. Hume was comprised in the assertion, that, some of his actions having been misinterpreted, because he was a proprietor of stock, he had determined to part with it. The deputies offered to save the friend of the cause so great a loss; and Mr. Hume thought the conclusion at which they had arrived a sound one. After some correspondence, they agreed to take his stock at thirteen per cent. discount, the market price of sixteen per cent. being but nominal. Mr. Hume wished to be relieved entirely; but this the deputies declined. Shortly after, Mr. Hume was informed that these gentlemen would pay him the sum he was deficient; and as he considered this as fair, and not as a favor, he also considered he was entitled to the interest. "The worst that any one can say of me," concluded Mr. Hume, "is, that I may have evinced an OVER-ANXIETY TO AVOID A PECUNIARY LOSS." Mr. Hume probably remembers his over-anxiety to the present day.

The case of Dr. Bowring was equally memorable. The sum of £25,000 had been allotted to this gentleman, and his horror and alarm may be conceived when he saw it decline to a discount of eighteen per cent. The doctor was very vehement in his applications. He represented his great services; he worried the unhappy deputies; he placed his cause before them in such vivid colors, that the stock, which had fallen to eighteen per cent., was taken off his hands at only ten per cent. loss. When it rose to par, he imitated his illustrious fellow-laborer, and applied to have it returned. He was reminded that he had parted with his stock; but the doctor, blessed with a short memory, professed to have forgotten the very circumstance which it had cost him an agony to compass. The letters of Dr. Bowring were somewhat *naïve*. "I am still the holder of a considerable sum, and I hope we shall see the loan rise to a good price for *the benefit of every body*." "*As the difference to me is a serious one, and to the Greek government of little importance*, I hope you will oblige me by allowing the return of the £25,000 scrip."

There were statements and counter-statements in the journals; there were pleadings and special pleadings in the magazines; there were eloquent papers in the Westminster Review, to prove it was all right; and there were powerful articles in the Quarterly, to prove it was all wrong. 'The economical Mr. Hume's over-anxiety for scrip," said the latter, "the erudite Mr. Bowring's various translations of stock, the romantic partiality displayed for per cents by Orlando, have been sufficiently discussed. Public opinion is quite made up in all these details; and when the sacred cause of insurrection all over the world shall again need a loan, the suffering patriots may allow such statesmen to plead their cause, to clamor about their wrongs, to weep over their miseries, to dabble in metaphysical, poetical, and periodical departments, provided they do not meddle with the pecuniary."

A poem was extensively circulated, in ridicule of the affair, and with an extract, the present account of the Greek loan is concluded: —

"O, when the bubble burst, 't were sweet to mark
How cash and cant roared in alternate bark!
Here, 'Missolonghi's fall the spirit shocks';
There, 'Were that all, — but, O, the price of stocks!'

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Here, 'Brimful now is misery's fatal cup,
The Turks have blown another fortress up!'
There, 'Forts blown up? I 've heavier news to tell;
The scrip, the scrip will be blown up as well!'
One cries, 'The cause is lost!' Another, 'Zounds,
Who cares? I 've lost my four-and-fifty pounds!'
Snuffles a saint, 'I sorrow for the cross;
But nineteen discount is a serious loss.'
Whispers a sinner, 'Why, the thing must fall;
But, 't was a very pretty bubble after all!'"

The following extract from Dr. Shelton Mackenzie's "Partnership en Commandite," will form a fitting conclusion to the history of the foreign loan excitement of 1825: — "Upwards of twenty-five millions sterling were advanced in foreign loans, of which the show of paying even the smallest dividend is scarcely kept up. Taking into account the foreign loans, the investments in foreign funds, and the amount advanced for foreign railways, about 100 millions sterling have gone out of this country in the last twenty-five years. Three fourths of this immense capital are irretrievably sunk."

"I always," said a retired financier of great capacity, "tell my brokers to sell when the Whigs come into office, as they are sure to lower consols with the credit of the country." To intimate that the Whigs were in office in 1831, is to say that their financial difficulties were great. In this year curiosity was raised to know the mode which the Chancellor would adopt to meet the deficient revenue; and great was the surprise of the commercial public when this gentleman boldly proposed, that, upon every transfer of funded property, a tax of 10*s*. per cent. should be placed. From this source he reckoned upon £800,000. It need hardly be said, that the city received the proposal with such a burst of contemptuous derision, that the unhappy Chancellor in a very short time consented to abandon it.

In the following year the reform question startled many capitalists, and large sales of funded property were made. Some, alarmed at what appeared more like revolution than reform, when they heard of "moral demonstrations" to be made by two hundred and fifty thousand determined men; of soldiers detained in their quarters on Sunday, to sharpen their swords; of mutiny among the Scots Greys; of business suspended, and all the usual accompaniments of great changes, — determined to sell securities which a day might render worthless. The dealers narrowed their personal operations to a limit consistent with safety; while others sold all, and purchased in foreign funds. The feeling of these individuals was evinced by the fact, that they bought chiefly in Russian funds, as affording greater security.

For a considerable number of years, many, who, not members of the Stock Exchange, yet dealt in its securities and acted as brokers, employed the Rotunda of the Bank of England for their transactions. The broker who had no counting-house made it his place of business; and his clients waited there until the transfer was ready, or the business was arranged. As a theatre for jobbing, it interfered with the Bank; but Mr. Curtis, governor of that establishment, turned them out somewhat uncer-

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emoniously ; and, when he afterwards failed in business, so great was his unpopularity with those he had summarily dismissed, that the news of his bankruptcy was received with three cheers by the members of the Stock Exchange. It is impossible to give a fact more suggestive of the manners of the men from whom so disgraceful a token of triumph emanated.

The great increase in the business of the foreign funds called for additional space ; a room was, therefore, opened for the dealers ; and from this arose the Foreign Stock Exchange, which for some years maintained a separate committee, chairman, and deputy-chairman. It now forms part of the edifice known as the Stock Exchange.

The number of members varies. It has reached 1,000, it has descended to 400, and it now numbers about 800.

CHAPTER XVI.

Sketch of the Life of Rothschild. — Comes to England. — Introduction of Foreign Loans. — Large Purchases. — Anecdotes concerning Rothschild. — His Difficulties and Annoyances. — His Death and Burial. — Last Crisis on the Stock Exchange.

THE eminent abilities of Nathan Meyer Rothschild were inherited from his father, who, educated for the synagogue, distinguished himself as a financier, and, though engaged in the uncongenial sphere of a counting-house, became a learned archæologist. Frankfort, Berlin, Vienna, London, Naples, and Paris, have alike witnessed the prescience of the money-making Rothschilds ; and it is reported that the first great success of Meyer Anselm, the father of the house, originated in the possession of the fortune of the Landgrave of Hesse Cassel, which he saved from the grasp of Napoleon, and which must have been to a commercial man of the utmost importance.*

By his own report, Nathan Meyer Rothschild came to Manchester because Frankfort was too small for the operations of the brothers, although the immediate cause was some offence to a customer ; and it is characteristic of the intrepidity of the man, that, with scarcely any hesitation, and with an absolute ignorance of the English language, he came to the country in which he realized such great results. On Tuesday he told his father he would go to England, and on Thursday he started. With £20,000 he commenced his career ; and in a short time his capital was trebled. At Manchester he soon saw there were three profits to be made, — in the raw material, the dyeing, and the manufacturing. It need

* "The prince of Hesse Cassel," said Rothschild, "gave my father his money. There was no time to be lost ; he sent it to me. I had £600,000 arrive unexpectedly by post ; and I put it to such good use, that the prince made me a present of all his wine and linen."

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hardly be added, that his great mind had stomach for them all, and that, having secured the three, he sold goods cheaper than any one else. This was the foundation of that colossal fortune which afterwards passed into a proverb; and, in 1800, finding Manchester too small for the mind which could grapple with three profits, Rothschild came to London. It was the period when such a man was sure to make progress, as, clear and comprehensive in his commercial views, he was also rapid and decisive in working out the ideas which presented themselves. Business was plentiful; the entire Continent formed our customers; and Rothschild reaped a rich reward.

From bargain to bargain, from profit to profit, the Hebrew financier went on, and prospered. Gifted with a fine perception, he never hesitated in action. Having bought some bills of the Duke of Wellington at a discount, to the payment of which the faith of the state was pledged, his next operation was to buy the gold which was necessary to pay them, and when he had purchased it, was, as he expected, informed that "government required it." Government had it, but doubtless paid for the accommodation. "It was the best business I ever did!" he exclaimed triumphantly; and he added, that, when the government had got it, it was of no service to them until he had undertaken to convey it to Portugal.

In 1812, Meyer Anselm, the head of the house, died at Frankfort. A princely inheritance, unbounded credit, and solemn advice never to separate, were left to his four sons. From this period, Nathan Meyer Rothschild was regarded as the head, though not the elder of the family; and skilfully did he support and spread the credit of the name. Previous to the advent of Mr. Rothschild, foreign loans were somewhat unpopular in England, as the interest was receivable abroad, subject to the rate of exchange liable to foreign caprice, and payable in foreign coin. He introduced the payment of the dividends in England, and fixed it in sterling money, one great cause of the success of these loans in 1825.

Although Mr. Rothschild was commonly termed a merchant, his most important transactions were in connection with the Stock Exchange. It was here that his great decision, his skilful combinations, and his unequalled energy, made him remarkable. At a time when the funds were constantly varying, the temptation was too great for a capitalist like Mr. Rothschild to withstand. His operations were soon noticed; and when the money-market was left without an acknowledged head by the deaths of Sir Francis Baring and Abraham Goldsmid, — for the affairs of the latter were wound up, and the successors of the former did not aim at the autocracy of the money-market, — the name of Nathan Meyer Rothschild was in the mouths of all city men as a prodigy of success. Cautiously, however, did the capitalist proceed, until he had made a fortune as great as his future reputation. He revived all the arts of an older period. He employed brokers to depress or raise the market for his benefit, and is said in one day to have purchased to the extent of four millions.

The name of Rothschild as contractor for an English loan made its first public appearance in 1819. But the twelve millions for which he then became responsible went to a discount; it was said, however, that Mr. Rothschild had relieved himself from all liability before the calamity

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could reach him. From this year his transactions pervaded the entire globe. The Old and the New World alike bore witness to his skill; and with the profits on a single loan he purchased an estate which cost £150,000. Minor capitalists, like parasitical plants, clung to him, and were always ready to advance their money in speculations at his bidding. Nothing seemed too gigantic for his grasp; nothing too minute for his notice. His mind was as capable of contracting a loan for millions, as of calculating the lowest possible amount on which a clerk could exist. Like too many great merchants, whose profits were counted by thousands, he paid his assistants the smallest amount for which he could procure them. He became the high-priest of the temple of Janus; and the coupons raised by the capitalist for a despotic state were more than a match for the cannon of the revolutionist.* From most of the speculations of 1824 and 1825, Mr. Rothschild kept wisely aloof. The Alliance Life and Fire Assurance Company, which owes its origin to this period, was, however, produced under his auspices; and its great success is a proof of his forethought. None of the loans with which he was connected were ever repudiated; and when the crash of that sad period came, the great Hebrew looked coolly and calmly on, and congratulated himself on his caution. At his counting-house a fair price might be procured for any amount of stock which, at a critical time, would have depressed the public market; and it was no uncommon circumstance for brokers to apply at the office of Mr. Rothschild, instead of going in the Stock Exchange.

He was, however, occasionally surpassed in cunning, and, on one occasion, a great banker lent Rothschild a million and a half on the security of consols, the price of which was then eighty-four. The terms on which the money was lent were simple. If the price reached seventy-four, the banker might claim the stock at seventy; but Rothschild felt satisfied that, with so large a sum out of the market, the bargain was tolerably safe. The banker, however, as much a Jew as Rothschild, had a plan of his own. He immediately began selling the consols received from the latter, together with a similar amount in his own possession. The funds dropped; the Stock Exchange grew alarmed; other circumstances tended to depress it; the fatal price of seventy-four was reached; and the Christian banker had the satisfaction of outwitting the Hebrew loan-monger.

But, if sometimes outwitted himself, there is little doubt he made others pay for it; and, on one occasion, it is reported that his finesse proved too great for the authorities of the Bank of England. Mr. Rothschild was in want of bullion, and went to the governor to procure on loan a portion of the superfluous store. His wishes were met, the terms were agreed on, the period was named for its return, and the affair finished for the time. The gold was used by the financier, his end was answered, and the day arrived on which he was to return the borrowed metal. Punctual to the time appointed, Mr. Rothschild entered; and those who remember his

* In 1824, it was said that public attention was so entirely absorbed by financial operations, that the movements of Mr. Rothschild and a few London capitalists excited an intensity of expectation scarcely inferior to the march of armies.

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personal appearance may imagine the cunning twinkle of his small, quick eye, as, ushered into the presence of the governor, he handed the borrowed amount in bank-notes. He was reminded of his agreement, and the necessity for bullion was urged. His reply was worthy a commercial Talleyrand. "Very well, gentlemen. Give me the notes! I dare say your cashier will honor them with gold from your vaults, and then I can return you bullion." To such a speech the only worthy reply was a scornful silence.

One cause of his success was the secrecy with which he shrouded all his transactions, and the tortuous policy with which he misled those the most who watched him the keenest. If he possessed news calculated to make the funds rise, he would commission the broker who acted on his behalf to sell half a million. The shoal of men who usually follow the movements of others, sold with him. The news soon passed through Capel Court that Rothschild was bearing the market, and the funds fell. Men looked doubtingly at one another, a general panic spread, bad news was looked for, and these united agencies sunk the price two or three per cent. This was the result expected; and other brokers, not usually employed by him, bought all they could at the reduced rate. By the time this was accomplished, the good news had arrived, the pressure ceased, the funds arose instantly, and Mr. Rothschild reaped his reward.*

But it was not an unvaried sunshine with this gentleman. There were periods when his gigantic capital seemed likely to be scattered to the four quarters of the globe. He lost half a million in one English operation; when the French entered Spain in 1823, he was also in the utmost jeopardy; but, perhaps, the most perilous position in which he was placed was with the Polignac loan, although his vast intelligence again saved him, and placed the burden on the shoulders of others. With this, however, he suffered greatly, as the price fell thirty per cent.

He had, also, other sources of apprehension. Threats of murder were not unfrequent. On one occasion, he was waited on by a stranger, who informed him that a plot had been formed to take his life; that the loans which he had made to Austria, and his connection with governments adverse to the liberties of Europe, had marked him for assassination; and that the mode by which he was to lose his life was arranged. But though Rothschild smiled outwardly at this and similar threats, they said, who knew him best, that his mind was often troubled by these remembrances, and that they haunted him at moments when he would willingly have forgotten them. Occasionally his fears took a ludicrous form. Two tall, mustachioed men were once shown into his counting-house. Mr. Rothschild bowed, the visitors bowed, and their hands wandered first in one pocket, and then in another. To the anxious eye of the millionnaire, they assumed the form of persons searching for deadly weapons. No time seemed allowed for thought; a leger, without a moment's warning, was hurled at the intruders; and, in a paroxysm of fear, he called for

* The intelligence of this gentleman was so good, that he was the first to announce the Paris revolution of July to Lord Aberdeen, and the victory of Waterloo was known to him some days before it was made public.

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assistance, to drive out two customers, who were only feeling in their pockets for letters of introduction. There is no doubt that he dreaded assassination greatly. "You must be a happy man, Mr. Rothschild," said a gentleman who was sharing the hospitality of his splendid home, as he glanced at the superb appointments of the mansion. "Happy! me happy!" was the reply. "What! happy when, just as you are going to dine, you have a letter placed in your hands, saying, 'If you do not send me £500, I will blow your brains out!' Happy! me happy!" And the fact, that he frequently slept with loaded pistols by his side, is an indirect evidence of a constant excitement on the subject.

The name of this gentleman, the entertainments given by him, the charities to which he occasionally subscribed, and the amount of his transactions in the money-market, were blazoned abroad. Peers and princes of the blood sat at his table; clergymen and laymen bowed before him; and they who preached loudest against mammon bent lowest before the mammon-worshipper. Gorgeous plate, fine furniture, an establishment such as many a noble of Norman descent would envy, graced his entertainments. Without social refinement, with manners which, offensive in the million, were but *brusque* in the millionnaire, he collected around him the fastidious members of the most fastidious aristocracy in the world. He saw the representatives of all the states in Europe proud of his friendship. By the democratic envoy of the New World, by the ambassador of the imperial Russ, was his hospitality alike accepted; while the man who warred with slavery in all its forms and phases was himself slave to the golden reputation of the Hebrew. The language which Mr. Rothschild could use when his anger overbalanced his discretion, was a license allowed to his wealth; and he who, when placed in a position which almost compelled him to subscribe to a pressing charity, could exclaim, "Here, write a check, — I have made one —— fool of myself!" was courted and caressed by the clergy, was fêted and flattered by the peer, was treated as an equal by the first minister of the crown, and more than worshipped by those whose names stood foremost on the roll of a commercial aristocracy. His mode of dictating letters was characteristic of a mind entirely absorbed in money-making; and his ravings, when he found a bill unexpectedly protested, were translated into mercantile language ere they were fit to meet a correspondent's eye. It is painful to write thus depreciatingly of a man who possessed so large a development of brain; but the golden gods of England have many idolaters, and the voice of truth rarely penetrates the private room of the English merchant. Mr. Rothschild's was a character which may be serviceably held up as a warning. There was, however, an occasional gleam of humor in him, sternly as his thoughts were devoted to heaping up riches. "I am as much as you," he said to the Duc de Montmorenci, when his title was granted; "you style yourself the first Christian baron, and I am the first Jew baron."

He was a mark for the satirists of the day. His huge and somewhat slovenly appearance; the lounging attitude he assumed as he leaned against his pillar in the Royal Exchange; his rough and rugged speech; his foreign accent and idiom, — made caricature mark him as its own;

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while even caricature lost all power over a subject which defied its utmost skill. His person was made an object of ridicule; but his form and features were from God: his mind and manners were fashioned by circumstances; his acts alone are public property; and by these we have a right to judge. No great benevolence lit up his path; no great charity is related of him. The press, ever ready to chronicle liberal deeds, was almost silent upon the point; and the fine feeling which marked the path of an Abraham Goldsmid, and which brightens the career of many of the same creed, is unrecorded by the power which alone could give it publicity. Dr. Herschel, indeed, said that Mr. Rothschild had placed some thousands in his hands for the benefit of his poorer brethren; but thousands spent in a career of thirty-five years, by one who counted his gains in millions, assume a narrow form. The Jewish code prescribed a tithe; but Jewish laws are often abrogated, when Jewish ceremonies are closely followed.

At last the time arrived which proves a millionnaire to be a man. Mr. Rothschild's affairs called him to Frankfort, and he was seized with his last illness. The profession there could do nothing for him, and, scarcely even as a last hope, Mr. Travers, the eminent surgeon, made a rapid journey to see if English science could avail the dying Crœsus. The effort was vain, and the inevitable fate was well and worthily met. There appears even a certain degree of dignity in his resignation to the last struggle, and something touchingly manful in the wording of the will which was to surrender to others the gold won by the sweat of his brain. Breathing an almost patriarchal simplicity, it recommends his sons to undertake no great transaction without the advice of their mother, of whom he speaks with tender and even touching affection. "It is my special wish that my sons shall not engage in any transaction of moment, without having previously asked her maternal advice."

The first intelligence of his death was received by the same method which had so often contributed to his success. Beneath the wings of a pigeon, shot in sport at Brighton, were discovered the words "*il est mort.*" The intelligence created an intense sensation, as the uninitiated were ignorant that his illness was dangerous, and calculations were plentiful as to the amount of his fortune. A greater tumult than had been produced since the violent death of his predecessor, marked the precincts of the Stock Exchange, as it was impossible to tell the tendency of his speculations, or what effect might be produced by his unexpected demise.*

His remains were brought to England. The Austrian, Russian, Prussian, Neapolitan, and Portuguese ambassadors assisted at his funeral; and his sons, who were deeply affected, attended him to his last resting-place. The coffin which contained his massive remains was elaborately carved and gorgeously ornamented, looking like some splendid piece of man's

* Mr. Salomons attributed the difficulties which followed his death to the sudden withdrawal of the dexterity with which he managed the exchanges, as Mr. Rothschild prided himself on distributing his immense resources, so that no operation of his should abstract long the bullion from the Bank.

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cunning, destined for the boudoir of a lady, rather than the damp of the grave.

His children inherit his business; but they do not inherit his position in the stock-market. They are competitors for government loans; but, though with the name remains a certain *prestige* of its former power, they do not appear willing to entertain the extensive and complicated business in the funds in which their father delighted.

The few anecdotes recorded of the gentleman whose life has been so imperfectly sketched, form a portion of many which have been carefully collected. A good life of Nathan Meyer Rothschild would be, to some future Tooke, a complete and perfect key to the financial history of the early portion of the nineteenth century.*

The last crisis in the Stock Exchange which it is the writer's purpose to record was that memorable era, in 1836, when a convulsion — scarcely equalled in degree, though limited in its extent — made bears and bulls alike bankrupts.

For many years previous, the business of Capel Court had been decreasing. The attempts made to excite public feeling were insufficient to produce much result. Consols remained without those great and sudden movements so beneficial to the members; little was done in shares; and it was remarked that the Stock Exchange had become a monetary dead sea; that the carriage seemed likely to be exchanged for the wheelbarrow; the breaking of credit for the breaking of stones; and that, when the eagle eye of the hungry broker and jobber looked round for dupes, all was barren.

At length the spell was broken. The attempt of Don Pedro to seize the crown of Portugal afforded the members an opportunity of exercising their vocation; and it has been confidently said, that, long before a loan was attempted, their money was employed in assisting the above expedition. Every art was used to blacken the character of Don Miguel. Every trick was attempted to excite sympathy for Don Pedro. Private memoirs were published, and anecdotes related. Truths were distorted, and falsehood not unfrequently perpetrated. Paragraphs made their constant appearance, in which "our ancient ally" was represented as suffering from a most intolerable tyranny. Unbearable torture and insufferable trials were the lot of the Portuguese people; darkness and dungeons the doom of the aristocracy. The Tagus was red with the blood of the populace; and the "tower of Belem," said a writer in Fraser's Magazine, "emitted more doubtful and indescribable sounds than its predecessor of Babel."

All these things tended to prepare the mind of the English capitalist. But a further temptation was offered. The revenues of the kingdom were portrayed in glowing colors. It was said that Don Miguel could, but would not, pay the interest of the existing debt, and that Don Pedro could and would. The scheme proved thoroughly successful. The note of expectation being thus sounded, a band of men was engaged, vessels were hired, and, with the aid of English money, English men, and English ships, Oporto was taken. The public mind was now ripe for a loan.

* For a Memoir of Rothschild, see the Bankers' Magazine, Vol. II. p. 473, *et seq.*

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The success was magnified, the achievement enlarged on, and £800,000 were demanded on the security of some port-wine. The money was lent; Don Miguel fled to Rome; and the young queen was installed in his place. A further loan of two millions followed; the interest was difficult to pay, the dividends were capitalized, and great excitement pervaded the Stock Exchange at the rumors which were currently circulated.

But another important movement was going on in connection with loans to Spain. The principal powers of Europe had agreed that Spain and Portugal should assist each other in the expulsion from their respective territories of Don Carlos and Don Miguel, and that the other courts should assist the belligerent parties. From this treaty arose an auxiliary force raised in England to assist the youthful queen of Spain, and "The British Legion" is yet named with derision. From the courts and from the alleys of St. Giles's, from the town jail and from the rural workhouse, came half-clad, wretched, and miserable beings, who preferred being shot to being starved. Efforts to gain commissions were made by as motley a crew. Youths from the counting-house and from the shop were assiduous in endeavouring to attain them. Gentlemen with small incomes and no knowledge of war put forward their pretensions; and the officers were, in their way, a match for the men.

With all these disadvantages, the legion secured the success of the cause for which it fought; and, after a series of battles, Don Carlos was compelled to fly from the territory. A loan of course became advisable; and, although the interest on the previous debt could not be paid, it was proposed to advance an additional four millions. It need scarcely be said that, to procure this, promises were as plentiful as ever. The property of the Church was to be confiscated, and the Church itself to be upset, rather than not remunerate the bondholder. By means of deferred stocks, active stocks, and passive stocks, bargains were concluded, and, for a time, all was excitement in the foreign market. Every kind of security became sought for; however worthless, it had a price; however valueless, it found a buyer; and the debts of states which had never paid one dividend, which were scarcely in existence, and which had not any revenue, advanced 100 per cent.

But the market became overloaded, and holders began to realize. Every packet from abroad bore foreign securities, and the price drooped. During the fever, Spanish Cortes stock, which in 1833 was 16½, was forced to 72. Portuguese was done at 102, and every foreign stock rose in proportion.

By May, 1835, the market became overloaded; all were sellers; the price drooped; and on the 21st the panic commenced. Spanish stock fell at once sixteen per cent.; the scrip went to three discount; and the lower the price, the more anxious were the holders to sell. Every one grew alarmed; and those who had bought as a permanent investment parted with all their interest. Private gentlemen, who had been tempted to buy, hurried with heavy hearts to their brokers; and the Stock Exchange may be said to have groaned beneath the burden.

To add to the distress, the greatest holder turned bear; and it is difficult to describe the confusion with which the market closed on the even-

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ing of the 21st of May. Some were rejoicing at their deliverance, though suffering a large loss, while others were absolutely ruined. In many panics there had been hope. They were known to be alarms which time would rectify; but there was no hope for the holder of foreign stock; it was worthless, and it was known to be worthless. Every one felt assured that no dividend would ever be paid upon it; and when this was remembered, men cursed the fatuity which had led them to buy waste-paper, and execrated the greediness which had lured them to ruin. Those who the week before possessed securities which would have realized hundreds of thousands, were reduced to bankruptcy. Brokers who had kept to their legitimate business were defaulters; most who had bought for time were unable to pay their differences; while respectable men, who had laughed at speculation, and thought themselves too clever to be taken in by companies, had ventured their all on the faith of foreign governments. Establishments were reduced, families were ruined, delicately-nurtured women were compelled to earn their bread. Death ensued to some from the shock, misery was the lot of others, and frantic confusion once more marked the alleys and the neighbourhood of Capel Court. Consternation reigned paramount, and almost every third man was a defaulter. All foreign securities were without a price; the bankers refused to advance money; the brokers' checks were first doubted, and then rejected; nothing but bank-notes would be taken; and, with a desperation which will never be forgotten, the jobbers closed their books, refused to transact any business, and waited the result in almost abject despair. The stocks bore no price, the brokers ceased to issue their lists, and the blackboard was found inadequate to contain the names. Differences to the amount of ten millions were declared; and the entire wall would have been insufficient to contain the names. The practice was, therefore, dispensed with, and an additional time allowed to settle the accounts.

To mitigate the evil, the principal holders of foreign securities formed themselves into a society to purchase all stock below forty; but it was found inadequate to meet the catastrophe in the house, while out of it the excitement in Spanish, Portuguese, and other foreign funds created evils which never met the public eye, but which are yet felt by innumerable private families.

During this period, the Royal Exchange, previous to the assembling of the merchants, witnessed a curious scene, and beheld a motley group of speculators; and, says Mr. Evans, in his work on the city, such was the rage for shares in companies which had arisen out of the general excitement, that the beadle was obliged to drive them away, as the frequenters of 'Change could not get to their places. In the height of this speculation, some of the dabblers made a price of one farthing per share on a railway now promising to be the first in the kingdom, but of which there were then no buyers.

With the above panic the present chronicle of the Stock Exchange closes. To have brought it to 1849 would have involved living men and their actions, and to some future historian must be left the many whose names assume so important a position in English financial history.

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CHAPTER XVII.

Legends of the Stock Exchange. — Mr. Dunbar. — Duke of Newcastle. — French Ambassador. — James Bolland. — Extraordinary Incident. — Fortunate Adventure. — Morals and Manners of the Stock Exchange. — Its Constitution and Arrangements.

THE early part of the present chapter is devoted to anecdotes, which, though difficult to prove, yet bear in themselves every appearance of reality. Many legends are thus in the debatable ground between truth and fiction; and those which are selected are chosen from their resemblance to fact, rather than from the actual knowledge of their veracity.

In 1761, Mr. Dunbar, a West-Indian merchant, finding his affairs were less prosperous than usual, sought "the Alley," as it was then termed, to retrieve his failing fortunes. From some private information, he believed that he had good grounds for supposing a peace would soon be effected, and that the funds would rise. He therefore ordered his broker to buy £100,000 for the account; told him the opinion he had formed, with the intelligence on which it was based; and the latter, in violation of his oath, jobbed extensively on his own account as well as for his client. February passed away without the expected peace, and Mr. Dunbar paid the difference. Confident in his views, he continued the operation; but each account-day proved that the price had been against him, and with great difficulty did he find money to pay the amounts due. In July, unable to pay cash, he gave notes of hand to the broker, who agreed to receive them. No objection being made, the account was continued on for August. In that month the prospect of peace revived, the funds rose, and Mr. Dunbar, seeing a chance of paying the greater part of his losses, went with all speed to 'Change Alley. His distress may be imagined, when he was coolly told, that, since he had given notes of hand, no account had been opened, and no advantage could be reaped from the rise in price. The act of Sir John Barnard rendered any appeal to law useless; but, as Mr. Dunbar became a bankrupt, the members of the Stock Exchange subscribed to pay the amount claimed, in order that so flagrant a case might not become public.

One of the loans raised by the Duke of Newcastle, when prime minister, fell, from some unforeseen accident, to three per cent. discount. His Grace, thinking he had made an unfair bargain, or fearing the jobbers would not lend to him again, convened a meeting of those who had taken it, who, as well as the Duke, were greatly frightened, not knowing what project to adopt. At length one of them — said to be Samson Gideon — desired the minister to walk with him into another room. There they remained for a few minutes, and then returned in high spirits, telling the others to go home and be perfectly easy, as care should be taken of their interest. Gideon went immediately to 'Change Alley,

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and, buying up the scrip as fast as it was offered, produced an immediate rise to one per cent. above par.

Gambling in the funds has not been confined to commoners; and the French ambassador at the Court of London was guilty of a deception which marks the name of the Count de Guise with infamy. Availing himself of his political position, he traded in English securities, and, by the aid of his secretaries, made large sums. While success attended the ambassador's operations, he received the profit, and rejoiced in his good fortune; but when a long run of bad luck dissipated his gains, and made demands upon his purse, his Excellency denied all knowledge of the transaction, refused to pay the balance, retired to France, and commenced a prosecution against his subordinates. But this was not sufficient to exonerate him with thinking people. A memorial was published by his secretaries; and the evidence they gave satisfied every impartial mind that the ambassador of the Most Christian King had abused his trust, duped his dependents, and defrauded the stock-broker.

About the middle of the eighteenth century, one of the constant dealers in 'Change Alley, although in a small way, was James Bolland; a man of low extraction, but of great mind, of immense impudence, and unrivalled crime. There was nothing at which he would hesitate to obtain money, to spend on the Stock Exchange; and, having once commenced, he soon found that the legitimate profits of his trade — that of a butcher — were not sufficient to support him. He formed, therefore, a wooden weight, which, resembling one of fifty pounds, weighed only seven pounds; and, in his capacity of tradesman to St. Thomas's Hospital, employed his roguery with great success.

From butcher he turned sheriff's officer, revived every past iniquity, invented new frauds, and spent his money in buying lottery-tickets, to which pursuit he was passionately attached. He robbed the broker whom he employed, alike of his mistress and his money; and with the latter bought the place of city marshal. The citizens, however, discovered that his character was scarcely equal to his impudence, and refused to maintain their bargain.

Every moment he could spare was passed on the Stock Exchange, where his pursuits were marked by a singularly bad fortune. Every speculation went against him; he never drew a prize in the lottery; and, finding there was a chance of his becoming penniless, he added forgery to his long list of crimes. The fraud was discovered, the penalty was paid at Tyburn; and James Bolland adds another to the many proofs of the truth of the old adage.

A century ago was the hanging century; and a great fraud was committed towards its close on the East India Company. The leading witness — the only witness who could prove the guilt of the accused — was accustomed to visit a house in the neighbourhood of the Bank, to be dressed and powdered, according to the fashion of the day. Shortly before the trial came on, a note was placed in his hands, informing him that the attorney for the prosecution was desirous of seeing him, at a certain hour, at his private residence, in or near Portland Place.

At the time appointed, the witness proceeded to the house; the door

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was opened, and the footman, without asking his name, ushered the visitor into a large room, where, discussing some wine upon the table, sat a group of gentlemen, in earnest conversation. "There is a mistake," exclaimed the new-comer, thinking he had been shown into the wrong room. "No mistake, Sir," interrupted one, in a determined tone, while the remainder sat quietly, but sternly, by. Unable to comprehend the scene, and, in some alarm, the visitor prepared to leave the room. "There is no mistake," repeated the same person, unostentatiously stepping before the door. "I am," he continued, "brother to that gentleman who is to be tried for forgery, and against whom you are the chief witness. Without your evidence he cannot be convicted; the honor of a noble house is at stake; and your first attempt to escape will lead to a violent death. There is nothing to fear, if you remain quiet; but all whom you see are sworn to detain you until the trial be over, or," he added, after a pause, "to slay you." The witness was a sensible man; he saw the determined looks of those around, and thought it best quietly to acquiesce.

In the mean time great surprise was excited in the city. That the missing man had been inveigled away was universally believed; and every endeavour was made to track him. Whether the calmness with which he bore his confinement deceived his jailers is not known; but it is certain that he effected his escape from the house, although not so securely but that his captors were after him before he could get out of sight. A mob collected; his pursuers declared he was an insane nobleman, and that they were his keepers. The mob shouted with delight at the idea of a mad lord; and the unfortunate man was on the point of being again confined, when a chariot drove up. The inmate, a lady, desired the coachman to stop, and listened to the counter statements of the pursued and his pursuers. Remembering the current story of a missing witness, she opened the carriage, he sprung in, the door was closed, and the lady, to whom he told his story, ordered her coachman to drive with all speed to the Old Bailey. It was the last day; the case, which had been postponed, was being tried; and the missing witness was just in time to place the rope around the neck of the unhappy forger.

In the memorable year 1815, a member of the Stock Exchange found that, notwithstanding all his exertions to save his credit, his name stood every chance of gracing that blackboard on which so many appeared during the eventful period. Melancholy and meditating, he wandered forth, scarcely knowing the direction which he took, until from London Bridge he gazed gloomily upon the "dark flowing river," half doubting whether its depths would not be his best abiding-place. In this mood he was hastily greeted by a voice he knew; and, turning round, was rapidly informed of news which at once turned his thoughts back to that world he had felt inclined to quit. The stranger had just arrived from the spot where the great battle of modern history had been fought; and the ruined jobber become the depositary of a secret which at once restored his spirits. Hastily learning all the particulars which might affect him, he retraced his steps, found the price unaltered, and the news, therefore, unknown. Without hesitation, he made large purchases of stock. All that was to be procured he bought; and, as the secret which

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had that morning sent him gloomily away was not even guessed, he was able to purchase very largely. He availed himself of his opportunity; and ere long had cause to congratulate himself on his good fortune, as, when the news arrived, the price rose sufficiently to clear all his difficulties, and leave him a profit of £20,000.

The morals and the manners of the Stock Exchange are difficult to treat. Morals too often fade before money-making; and manners are regarded as unnecessary in the same eager pursuit. Nor is Capel Court an exception. When the fate of a jobber depends on the turn which the market may take, — when sorrow or success hangs upon a word, — when family, friends, and fortune are in the balance, and a rumored falsehood may sink or save, — it is not in humanity to resist the temptation; and it has, unhappily, become too general a practice to stop at no invention, and to hesitate at no assertion, which may assist the inventor. From this cause the Stock Exchange is rarely mentioned with that respect which it merits, as the theatre of the most extensive money transactions in the world. Public opinion punishes the many for the few. The great mass of its members have not power to disseminate an untruth. The brokers, bound not to speculate on their own account, have no interest in doing so; the small jobber cannot influence the price; many are too high-minded to avail themselves of dishonorable methods; and it is, therefore, to a particular class that the Stock Exchange owes its false reports, its flying rumors, and its unenviable notoriety. Capel Court is, indeed, a complete anomaly. There are men of high character and station in its body; there is every endeavour made by its executive to abolish all which tends to make it despicable; the greatness of its dealings are unequalled; some of its members are members of the senate; others are honorable in spite of the temptations which surround them; it is consulted by chancellors, and taken into the councils of ministers; peace or war hangs upon its fiat; and yet the Stock Exchange is seldom named, out of the city, but with contempt; and a Stock Exchange man is, like the moneyed man in the early reign of William, despised by the landed, and looked down upon by the mercantile, aristocracy. One reason, perhaps, for this is, that the great mass of their transactions are without the pale of the law. All their time-bargains — and the Stock Exchange might close to-morrow if these were abolished — are illegal. They are, strictly speaking, gambling dealings, which our judicature refuses to recognize; and the dealers are gamblers, whom the legislature will not acknowledge.

The tricks which are resorted to are numerous. The penniless speculator can enter into transactions which may retrieve his fortunes, or consolidate his ruin. It is said to be a not uncommon trick for two persons to agree together in the following manner: — one buys and the other sells for the account to the largest amount for which each can procure credit. One must lose, and the other must gain. One becomes a millionnaire, the other a defaulter. The former receives a large amount, the latter is declared on the blackboard. A division of the spoils is afterwards privately effected; and the gainer pursues his avocation in the funds, while the loser becomes a prosperous gentleman.

The public cannot be too decidedly warned against the dangers to which

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they may be exposed in legitimate transactions. On one occasion, a merchant having requested his broker to purchase a certain amount of stock, and having concluded the business, was surprised in the evening to hear his broker announced as a visitor. Some remark being made, the latter stated that a dispute had arisen with the jobber about the price which was in the receipt, and he should be glad to take it with him as an evidence of his correctness. Knowing that a stock receipt is in itself of no value, the buyer readily complied. His visitor thanked him, and from that moment was never heard of. The receipt was false, the names were forged; and, secure in the possession of all evidence against him, the broker sought a foreign land in which to enjoy his unrighteous gains.

If the morals of the Stock Exchange be as described, its manners are as curious. It is not long since the papers reported a limb broken in sport. The writer has perused in the journals occasional duels which have arisen from the "fun" of the members; and the courtesies of life are wanting if a stranger ventures among them. When this is the case, instead of the bearing of gentlemen, the first discoverer of the intruder cries out, "Fourteen hundred fives!" and a hundred voices reëcho the cry. Youth or age is equally disregarded; and the following description of what occurred to an unhappy visitor will attest the truth of that which has been asserted: —

"Not long ago, a friend of my own, ignorant of the rule so rigidly enforced for the expulsion of strangers, chanced to drop in, as he phrased it, to the Stock Exchange. He walked about for nearly a minute without being discovered to be an intruder, indulging in surprise at finding that the greatest uproar and frolic prevailed in a place in which he expected there would be nothing but order and decorum. All at once, a person, who had just concluded a hasty but severe scrutiny of his features, sent out, at the full stretch of his voice, 'Fourteen hundred.' Then a bevy of the gentlemen of the house surrounded him. 'Will you purchase any new Navy five per cent., Sir,' said one, eagerly, looking him in the face. 'I am not ——'; the stranger was about to say he was not going to purchase stock of any kind, but was prevented finishing his sentence by his hat being, through a powerful application of some one's hand to its crown, not only forced over his eyes, but over his mouth also. Before he had time to recover from the stupefaction into which the suddenness and violence of the eclipse threw him, he was seized by the shoulders, and wheeled about as if he had been a revolving-machine. He was then pushed about from one person to another, as if he had only been the effigy of some human being, instead of a human being himself. After tossing and hustling him about in the roughest possible manner, denuding his coat of one of its tails, and tearing into fragments other parts of his wardrobe, they carried him to the door, where, after depositing him on his feet, they left him to recover his lost senses at his leisure."

In a graphic picture of the Stock Exchange, drawn by one who had every opportunity of testing its truth, the following will confirm the above description, and affords an interesting evidence of the civilization of the Stock Exchange in 1828: —

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"I turned to the right, and found myself in a spacious apartment, which was nearly filled with persons more respectable in appearance than the crew I had left at the door. Curious to see all that was to be seen, I began to scrutinize the place and the society into which I had intruded. But I was prevented from indulging the reflections which began to suggest themselves, by the conduct of those about me. A curly-haired Jew, with a face as yellow as a guinea, stopped plump before me, fixed his black, round, leering eyes full on me, and exclaimed, without the slightest anxiety about my hearing him, 'So help me Got, Mo, who is he?' Instead of replying in a straightforward way, Mo raised his voice as loud as he could, and shouted with might and main, 'Fourteen hundred new fives!' A hundred voices repeated the mysterious exclamation. 'Fourteen hundred new fives!' 'Where, where,—fourteen hundred new fives,—now for a look; where is he? Go it, go it!' were the cries raised on all sides by the crowd, which rallied about my person like a swarm of bees. And then Mo, by way of proceeding to business, repeating the war-cry, staggered sideways against me, so as almost to knock me down. My fall, however, was happily prevented by the kindness of a brawny Scotchman, who, humanely calling out, 'Let the mon alone,' was so good as to stay me in my course with his shoulder, and even to send me back towards Mo with such violence, that, had he not been supported by a string of his friends, he must infallibly have fallen before me. Being thus backed, however, he was enabled to withstand the shock, and to give me a new impulse in the direction of the Scotchman, who, awaiting my return, treated me with another hoist as before, and I found these two worthies were likely to amuse themselves with me, as with a shuttlecock, for the next quarter of an hour. I struggled violently to extricate myself from this unpleasant situation, and, by aiming a blow at the Jew, induced Moses to give up his next hit, and to allow me for a moment to regain my feet.

"The rash step which I had taken was likely to produce very formidable consequences. All present were highly exasperated. The war became more desperate than ever. Each individual seemed anxious to contribute to my destruction; and some of their number considerately called out, 'Spare his life, but break his limbs.'

"My alarm was extreme; and I looked anxiously round for the means of escape.

"'You ought to be ashamed of yourself to use the gentleman in that sort of way,' squeaked a small, imp-like person, affecting sympathy, and then trying to renew the sport.

"'How would you like it yourself,' cried another, 'if you were a stranger?' shaking his sandy locks with a knowing look, and knocking off my hat as he spoke.

"I made a desperate blow at this offender. It did not take effect, from the expedition with which he retreated, and I had prudence enough to reflect that it would be better to recover my hat than to pursue the enemy. Turning round, I saw my unfortunate beaver, or 'canister,' as it was called by the gentry who had it in their keeping, bounding backwards and forwards between the Caledonian and his clan and the Jew and his tribe.

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"Covered with perspiration, foaming with rage, and almost expiring from heat and exhaustion, I at last succeeded. I did not dare to reinstate it, but was forced to grasp it with both hands, in order to save what remained of it. I baffled several desperate snatches, one of which carried away the lining, and was now trying to keep the enemy at bay, afraid again to attack the host opposed to me, but not knowing how to retreat, when a person who had not previously made himself conspicuous approached and interfered. 'Really, you had better go out'; at the same time pointing to a door I had not seen before."

Comment is unnecessary; and, however the practice may be repudiated by the members when out of the house, there are few who would not, in it, act in a similar disreputable mode.

The constitution of the Stock Exchange is simple. Governed by a committee of twenty-eight, with a chairman and deputy-chairman, annually elected by the members, their power to expel, suspend, or reprimand is absolute; their decision final; and that decision, adds one of the rules, "must be carried out forthwith." In cases of expulsion, the committee should not consist of less than twelve; and of these, at least two thirds must concur in the sentence. No bill or discount broker, no clerk in any public or private establishment, — excepting those to the members of the Stock Exchange, — no one in business, either in his own name or in that of his wife, can be received as member. Every applicant must be recommended by three members of two years' standing, who must each give security for £300 for two years. The committee meets every alternate Monday, at one o'clock; but a special meeting may at any time be called by the chairman and deputy-chairman, or by any five members. Brokers and jobbers, or dealers, as they are politely termed, are not allowed to enter into partnership; and, when a defaulter is excluded, his clerk is excluded with him.

Directly the books are closed at the Bank of England, the price of stocks, excepting only bank stock, is quoted without the dividend.

When a defaulter, or one who cannot or will not pay the just claims on him, is posted, a libel is avoided by the following words: — "Any person transacting business with A. B., is requested to communicate with C. D."

The rules of the Stock Exchange amount in number to 159, and are calculated to meet every difficulty. The charge to the public for buying and selling English stock is 2*s.* 6*d.* per cent.; and the following, taken from the third edition of Mr. Robinson's valuable "Share Tables," is the commission on shares: —

	s.	*d.*	
Under the value of £5	1	3	per cent.
Amounting in value to £5, and under £20 . .	2	6	"
" " £20, " £50 . . .	5	0	"
" " £50 and above . . .	10	0	"

The terms used on the Stock Exchange have been in vogue for more than a century; and the origin of many may be traced to the early transactions in the stock of the East India Company. Buying for the

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account has been described; but "bull" and "bear," "backardation" and "continuation," are understood only by the initiated.

"Bull" is a term applied to those who contract to buy any quantity of government securities, without the intention or ability to pay for it; and who are obliged, therefore, to sell it again, either at a profit or loss, before the time at which they have contracted to take it.

"Bear" is a term applied to a person who has agreed to sell any quantity of the public funds, of which he is not possessed, being, however, obliged to deliver it against a certain time.

"Lame Duck" is applied to those who refuse or are unable to fulfil the contracts into which they have entered.

"Backardation" is a consideration given to keep back the delivery of stock, when the price is lower for time than for money.

"Continuation" is a premium given when the price of funds in which a person has a jobbing account open is higher for time than for money, and the settling day is arrived, so that the stock must be taken at a disadvantage. In this case a percentage is paid to put off the settlement, and continue the account open.

"Jobber" is applied to those who accommodate buyers and sellers of stock with any quantity they require. The dealer or jobber's profit is generally one eighth per cent.

The "Broker" is the person employed by the public to sell or purchase stock at a certain percentage.

"Omnium" is a term used to express the aggregate value of the different stocks in which a loan is usually funded.

"Scrip" is embryo stock, before the whole of the instalments are paid.

IMPROVEMENTS NEAR BALTIMORE.

We noticed, some time since, the election of new Directors for the Canton Company, and the favorable condition of the valuable property of the Company, under the able and vigorous administration of the new President, Mr. J. H. Carter. The following article, from the *Baltimore American*, sustains the views we then entertained, that a new era in the history of the company was about to commence. It presents a picture of progress in improvement which must be highly gratifying to the stockholders. The property is now nearly all held for investment in Baltimore, a very large amount of the late purchases here having been for Baltimore account. — *New York Express.*

Growth and Improvement of Canton. — We know of no portion of our city in which more gratifying evidences of rapid growth of population and business, and of consequent extensive and substantial improvement, are to be witnessed, than in the eastern section, on the grounds of the Canton Company. The property of this company, commencing at Washington Street on Fell's Point, and extending eastwardly along the river, it is within the memory of all, but a few years since was lying almost entirely waste and unimproved. Now, however, the scene presented is essentially changed. Canton, — which used to be "out of town," — by the rapid extension of the city in that direction, and by the improvements induced by the practical judgment and enlightened enterprise of the gentlemen managing the affairs of the Company, is so closely joined to the Point, that it would be difficult to say where one ends and the other commences;

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and now, long rows of substantial and comfortable dwellings, the factory, the foundry, and the workshop, occupy the ground through which the well-paved and graded avenue of business has succeeded to the country road and the rough and unfrequented by-path. The effect of this change may be seen, by any one who visits this section of the city, in the constant passage of pedestrians and of all kinds of vehicles along the principal avenue of Canton, and in the general stir and activity which prevails on every side; and may be further gathered from the fact that there are now upon the grounds of the Company three iron-furnaces, two cotton-duck factories, one cotton-batting factory, one adamantine-candle factory, an extensive iron-forge, a sawmill, and two ship-yards, besides numerous other smaller establishments, the whole giving employment and support to five hundred families. A no less significant sign of improvement may also be seen in the erection of two substantial churches, the one Methodist and the other Lutheran, both of which are well attended, and by the opening of a public school, the usefulness of which is constantly increasing. This improvement and growth, rapid and gratifying as it has been, will no doubt continue with perhaps increasing rapidity, as the location is most favorable for the pursuit of almost all kinds of manufacturing interests, and the Company offer every inducement to those thus engaged to settle on their lands.

Our purpose, however, in the present article, was to notice the extensive improvements that have recently been made, or are now in progress, at Canton. The first of these, and one which will not fail to arrest the attention of all who may visit the lower part of the Pound, is the splendid new warehouse, just finished, on the corner of Chester and Alice-Anna Streets, near Gardener's ship-yard. This building is built in a style happily combining a large degree of the ornamental in appearance with the imposing solidity of strength, and is altogether one of the most massive and substantial structures of the kind ever erected in this city; and, indeed, we doubt if any city in the Union can boast of any thing superior to it. The building is 117 feet deep, by 50 feet in front, four stories in height, and completely fire-proof throughout; the doors, frames, jams, window-sashes, and shutters, all being of iron. The interior presents an extended spaciousness and massive strength corresponding with the exterior. The finish is of the best style used in similar edifices. The girders throughout are supported by two rows of heavy fluted iron columns, fourteen of which are used on each story. Mr. E. W. Robinson was the contractor, and Mr. John Dushane, one of the Directors in the Company, the superintendent. The cost of the building, exclusive of the lot on which it stands, was $ 16,000.

The substantial and elegant warehouse stands on one of the finest blocks of wharf property in the city, having a water front of 750 feet, with a depth, through from Alice-Anna Street to the water, of 167 feet. The depth of water in front of the wharf is amply sufficient for the largest class of vessels entering our harbor. The location of this warehouse and wharf has been most judiciously chosen, for, though on the grounds of the Canton Company, actual measurement has proved it to be two squares nearer to the centre of the city than some of the lower wharves on the Point.

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TABLE OF FRENCH EXCHANGE.

Rate for 1 Dollar.	*Value of 1000 Francs.*	*Rate for 1 Dollar.*	*Value of 1000 Francs.*	*Rate for 1 Dollar.*	*Value of 1000 Francs.*
f. c.	$	*f. c.*	$	*f. c.*	$
4.60	217.3913	5.03¾	198.5112	5.46¼	183.0664
4.61¼	216.8022	5.05	198.0198	5.47½	182.6484
4.62½	216.2162	5.06¼	197.5309	5.48¾	182.2323
4.63¾	215.6334	5.07½	197.0443	5.50	181.8182
4.65	215.0538	5.08¾	196.5602	5.51¼	181.4059
4.66¼	214.4772	5.10	196.0784	5.52½	180.9955
4.67½	213.9037	5.11¼	195.5990	5.53¾	180.5869
4.68¾	213.3333	5.12½	195.1220	5.55	180.1802
4.70	212.7660	5.13¾	194.6472	5.56¼	179.7753
4.71¼	212.2016	5.15	194.1748	5.57½	179.3722
4.72½	211.6402	5.16¼	193.7046	5.58¾	178.9709
4.73¾	211.0818	5.17½	193.2367	5.60	178.5714
4.75	210.5263	5.18¾	192.7711	5.61¼	178.1737
4.76¼	209.9738	5.20	192.3077	5.62½	177.7778
4.77½	209.4241	5.21¼	191.8465	5.63¾	177.3836
4.78¾	208.8773	5.22½	191.3876	5.65	176.9912
4.80	208.3333	5.23¾	190.9308	5.66¼	176.6004
4.81¼	207.7922	5.25	190.4762	5.67½	176.2115
4.82½	207.2539	5.26¼	190.0238	5.68¾	175.8242
4.83¾	206.7183	5.27½	189.5735	5.70	175.4386
4.85	206.1856	5.28¾	189.1253	5.71¼	175.0547
4.86¼	205.6555	5.30	188.6792	5.72½	174.6725
4.87½	205.1282	5.31¼	188.2353	5.73¾	174.2919
4.88¾	204.6036	5.32½	187.7934	5.75	173.9130
4.90	204.0816	5.33⅓	187.5 par	5.76¼	173.5358
4.91¼	203.5623	5.33¾	187.3536	5.77½	173.1602
4.92½	203.0457	5.35	186.9159	5.78¾	172.7862
4.93¾	202.5316	5.36¼	186.4802	5.80	172.4138
4.95	202.0202	5.37½	186.0465	5.81¼	172.0430
4.96¼	201.5113	5.38¾	185.6148	5.82½	171.6738
4.97½	201.0050	5.40	185.1852	5.83¾	171.3062
4.98¾	200.5013	5.41¼	184.7575	5.85	170.9402
5.00	200.0000	5.42½	184.3318	5.86¼	170.5757
5.01¼	199.5012	5.43¾	183.9080	5.87½	170.2128
5.02½	199.0050	5.45	183.4862	5.88¾	169.8514

British Iron. — Immense quantities of foreign iron are said to be coming into New York; and the "Express" notices six thousand tons imported by one New York house to meet home orders; thus, the freight excepted (and much of it comes in foreign bottoms), taking a quarter of a million of dollars to Great Britain for an article as easy of manufacture, and as natural to our land of minerals, as flour or corn. The importation of these 6,000 tons of iron is an occurrence, not of one week, but of many, and they contribute vastly to the foreign debt which we are just now so largely increasing. The price of railroad iron is very low in England, but is kept up to about $38 to $40 per ton here, by the heavy freights. The Erie Railroad Company, alone, have received ten thousand tons of British iron since the 1st of April, at New York, and three thousand tons at Quebec, to be landed at Dunkirk, via the Welland Canal.

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Stocks and Exchanges.

State Securities, June, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	100½	" 102½
New York,	6	"	1860	113	" 116
"	6	"	1865	118	" 120
"	5	"	1858	104	" 106
"	5	"	1862	106	" 108
Pennsylvania,	6	"	1879	113	" 113¼
"	6	"	past due,	103	" 104
"	5	"		96	" 96½
Maryland,	6	"		105	" 105½
"	5	"		90	" 90½
"	5	"	sterling,	100½	" 102
Virginia,	6	"		105	" 105½
South Carolina,	6	"		100	" 104
Ohio,	5	"	1856	99	" 101
"	6	"	1870	114	" 116
"	7	"	1851	103	" 103¼
Kentucky,	6	"		108½	" 110
"	5	"		94	" 96
Tennessee,	5	"		85	" 85½
"	6	"		104	" 105
Indiana Bonds,		"		47	" 50
Indiana State,	5	"		78	" 79½
Alabama,	5	"		80	" 83
"	6	"			
Arkansas,	6	"		45	" 58
Illinois Int. Imp. Stock,				49	" 50
" Interest Stock,				25½	" 26

Baltimore, June 24.

Baltimore, 6 per cent.,	1890	105½	to 106
B. and Ohio R. R. Stock,		63½	" 63¾
" " Bonds,	1854	99	" 100
" " Div. Bonds,		95¼	" 95½
Bank of Baltimore,	100	93	" 96
Merchants' Bank,	100	100½	" 102
Union Bank,	75	72	" 73
Mechanics' Bank,	15	15¾	" 16
Commercial and Farmers',	33⅓	41	" 42¼
Western Bank,	20	21	" 21½
Farmers and Planters',	25	27¾	" 28¼
Chesapeake Bank,	25	26	" 26½
Marine Bank,	30	29½	" 30
Farmers and Merchants',	40	36	" 37
Franklin Bank,	12½	11¾	" 12
Farmers' Bank of Maryland,	50	50	" 51
Patapsco Bank,	25	22½	" 23

Philadelphia, June 24.

U. S., 6 per cent.,		1856	106¼	to 106¾
" "		1862	111	" 112
" "		1867	115⅛	" 115⅝
" "		1868	115¾	" 116¼
" Coupons,		1868	116	" 116
" 5 per cent.,		1853	100¼	" 101
" Treasury Notes,	6	p. cent.,	114½	" 115½
Philadelphia, 6 per cent.,			113	" 113¾
Nashville, 6 per cent.,	100		92	" 93
Alleghany, "	100		84	" 85
Cincinnati, 6 p. ct., water-works,			99	" 100
Pittsburg, 6 per cent.,			94	" 94¼
St. Louis, " "			95	" 97
Bank of Pennsylvania,	100		120	" 120½
" North America,	100		137	" 137½
Philadelphia Bank,	100		137	" 139
Farmers and Mechanics',	30		68	" 68¼
Commercial Bank,	50		58½	" 59
B. Northern Liberties,	35		53	" 55
Mechanics' Bank,	20		27½	" 28
Southwark Bank,	50		70	" 72
Kensington Bank,	50		62	" 65
B. Penn Township,	22½		28½	" 29
Western Bank,	40		65	" 67½
Manuf. and Mechanics',	25		26½	" 26¾
Bank of Commerce,	50		60	" 62½
Girard Bank,	50		12¾	" 12⅞
Bank of Pittsburg,	50		50	" 54
Exchange Bank,	50		48	" 49
Merchants and Manuf.,	50		50½	" 52
United States Bank,			1⅝	" 1⅞
Bank of Louisville,	100		101	" 102
Northern Bank, Ky.,	100		107	" 107½
Bank of Kentucky,	100		106	" 106½
Union Bank, Tennessee,	100		65½	" 66
Planters' Bank of Tenn.,			65	" 66
N. O. Gas Light Bank. Co.,			116	" 118
Morris Canal,	25		16¼	" 16½
Reading Railroad,	50		21⅞	" 22⅛
" Bonds, 6 p. cent.,		1870,	72½	" 72¾
" Mortgages,		1860,	80	" 80½
Com. and Vicks. R. R. B.,	100		15	" 16
Phil. and Trenton Railroad,	100		145	" 150
Phil. W. Balto. Railroad,	50		24½	" 25
Harrisburg Railroad,	50		44¾	" 45
Schuylkill Navigation,	50		18¾	" 19
Camden and Amboy R. R.	100		155	" 160

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NEW YORK, June 25.

Bills on London, 60 days,		110¼ to 110½
" Paris,		526¼ " 523¾
" Amsterdam,		40 " 40¼
" Hamburg,		35½ " 35¾
" Bremen,		79½ " 80
N. Y. City, 7 per cent.,	1857	112 " 114
" 5 "	1856	102½ " 103
" 5 " W. Ln.,	1858	102½ " 103
Brooklyn City, 6 per cent.,		105 " 106
Albany " 6 "		103½ " 105½
Columbus " 7 "		97 " 100
Erie R. R. Bonds,		106¾ " 107
Hudson River R. R. Bonds,		101 " 101½
Hartford and New Haven R. R.,		114¾ " 115
N. Y. and Erie R. R., new,	6	97½ " 97¾
Syracuse and Utica,	8	144 " 143
Auburn and Rochester,	8	103 " 105
Long Island Railroad,		13½ " 13¾
Providence and Stonington,	5	40½ " 42
N. Y. and New Haven R. R.,		106 " 107
Tonawanda Railroad,	20	115 " 116
Harlaem Railroad,		58 " 58¼
Mohawk Railroad,		82 " 83½
Utica and Schenectady,		134 " 140
Hudson River Railroad,	6	68 " 70
Bank of New York,	10	133 " 135
Manhattan Bank,	7	115 " 116
Merchants' Bank,	8	113 " 113½
Mechanics' Bank,	5	119 " 120
Union Bank,	10	129 " 130
Bank of America,	7	110 " 110¼
City Bank,	8	117½ " 119
Phenix Bank,	6	107 " 108
Tradesmen's Bank,	15	138 " 145
Fulton Bank,	10	118 " 119
Del. and Hudson C. Co.,	24	155 " 157
Butchers and Drovers',	10	125 " 128
National Bank,	8	111½ " 113
Merchants' Exchange,	8	113 " 114
Leather Manufacturers',	7	112 " 112½
Bank of the State of N. Y.,	7	104 " 105
Bank of Commerce,	6½	106 " 106½
Mech. Banking Association,	7	99 " 100
American Exchange Bank,	8	116 " 118
N. Y., L. I., and T. Co.,	8	119 " 120
Farmers' L. and T. Co.,		39½ " 39¾
Ohio Life and T. Co.,		108 " 109½
Canton Co.,		45¾ " 46
Bank of Louisiana,	8	126 " 130
Louisiana State Bank,	6	92 " 96
N. O. Canal and B. Co.,	6	86 " 87
Mech. and Traders' N. O.,	6	94 " 100

BOSTON, June 25.

Boston, 6 per cent.,	1853,	103 to 104
" 5 "	1860,	100 " 101
East Boston Co.,		15¼ " 15⅜
Atlantic Bank,		110 " 111
Atlas Bank,		101 " 102
Boston Bank (par 50),		57 " 58
Boylston Bank,		106 " 107
City Bank,		104 " 106
Cochituate Bank,		100 " 101
Columbian Bank,		101 " 102
Eagle Bank,		104 " 106
Exchange Bank,		104½ " 106
Freeman's Bank,		110 " 111
Globe Bank,		110 " 112
Granite Bank,		103 " 105
Grocers' Bank,		94½ " 95
Hamilton Bank,		103 " 105
Market Bank (par 70),		82 " 83
Massachusetts Bank (par 250),		240 " 245
Mechanics' Bank,		107 " 108
Merchants' Bank,		109½ " 110
New England Bank,		109½ " 110
North Bank,		100 " 102
Shawmut Bank,		104 " 106
Shoe and Leather Dealers' Bank,		115 " 117
State Bank (par 60),		63 " 65
Suffolk Bank,		135 " 140
Traders' Bank,		104 " 106
Tremont Bank,		106 " 107
Union Bank,		104½ " 106
Washington Bank,		99 " 101
Boston and Lowell R. R. (par 500),		567 " 570
" Maine Railroad,		103 " 106
" Providence Railroad,		80 " 82
" Worcester "		96 " 98
Concord Railroad (par 50),		56 " 58
Connecticut River Railroad,		84 " 86
Eastern Railroad,		104 " 106
Fall River Railroad,		75 " 78
Fitchburg Railroad,		107 " 110
Hartford and New Haven R. R.,		114 " 116
Nashua and Lowell Railroad,		107 " 110
Norwich and Worcester Railroad,		41 " 43
Northern Railroad,		66 " 70
Old Colony Railroad,		55 " 57
Stonington "		41 " 43
Vermont and Mass. Railroad,		27 " 29
Vermont Central Railroad,		29 " 30
Western Railroad,		100 " 104
Albany W. Railroad, 6 per cent.,		106 " 108
Michigan Central Railroad,		76 " 80
New Bedford and Taunton R. R.,		105 " 106
Rutland Railroad,		54 " 56

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MISCELLANEOUS.

PUBLIC IMPROVEMENTS IN VIRGINIA. — The great lines of improvement, in which this place has so deep an interest, are the Chesapeake and Ohio Canal, the Orange and Alexandria Railroad, and the proposed Manasses' Gap road. If we can secure the successful working of these schemes, bring to our town the entire Potomac River trade, and make good use of the local improvements in the way of turnpike roads, &c., which already exist, or may be built at little expense, we may well have the brightest hopes and anticipations of a revival of trade, commerce, and manufactures, and a speedy return to that prosperity, which seems to be due to our natural position and the indomitable energy and perseverance of our citizens. With regard to the railroads, there need not be, and ought not to be, any rivalry between them. The line of the Orange and Alexandria road runs for nearly thirty miles in the proper direction for the Manasses' Gap road,— and this latter improvement would pour its rich treasures of freight upon the main stem. We trust that our friends in the adjacent counties will, at once, preparatory to the convention at Front Royal, set themselves to work, *procuring subscriptions*, and taking steps to secure the liberal charter which has been granted by the Legislature. They may, we are quite sure, be satisfied that Alexandria will, as she always does in such cases, perform her duty, and give her full share towards the completion of an enterprise in which we all feel so much interest, and which we have zealously labored to bring into operation. The rich, populous, and lightly-taxed counties in the Valley will, we trust, be, on this occasion, *liberal* towards this work. They know what Alexandria has done, — and Alexandria is willing to do more. Let them, too, faithfully put *their* shoulders to the wheel, and make the burden light all round. When the road is made, we may then consider that we have no burden at all. — *Alexandria Gazette.*

LONDON BREWERIES. — A late London letter in the *National Intelligencer* says: — We know very few greater curiosities in London than one of our principal ale and porter breweries. Nearly 4,000,000 quarters of barley are malted annually for porter and ale. The greater part of the Scottish barley is distilled into whiskey; upwards of 1,300,000 quarters being required annually for this purpose. The London brewers are supplied with English barley, principally from Norfolk; a considerable quantity is also imported from the Continent. There are, in all, 2,460 brewers in the kingdom. The eleven principal brewers in London used no less than 544,522 quarters of malt last year, which was about the average consumption of several years past. Of this amount Messrs. Barclay, Perkins, & Co. used 115,542 quarters; Messrs. Hanbury & Co., 105,022; Meux & Co., 159,617; Reid & Co., 56,640; Whitbread & Co., 51,800; Combe & Co., 43,282; and the other five houses various quantities, varying from 16,000 to 30,000 quarters each. A Scotch gentleman, who lately visited the largest of these establishments, says: — "At the time of my visit there were 600 quarters of malt brewed daily. One large vat was pointed out to me containing 3,500 barrels of porter, which, at the selling price, would produce £9,000. There are 180 horses employed in the cartage department, which are a show of themselves. They are brought principally from Flanders, and cost from 50 to £80 each. Every department of this house is conducted on the most liberal scale, the principal brewer receiving a salary of £1,000 per annum."

MUTILATED BANK-NOTES. — The notes of a number of banks have recently been cut, by an ingenious process, so as to make eleven notes out of ten. In nine of the notes thus manufactured, there is wanting a section-cut from top to bottom of the note, about one third of an inch wide, the parts of two different notes being brought together, and nicely pasted with thin paper on the back. Each of the other two notes is made by cutting off the right or left engraved end of two sound notes, giving the edge a tear, so as to give one end a ragged appearance, as if it was an accidental injury.

Some of the banks, to protect themselves against this fraud, refuse entirely to pay mutilated notes, others regard it more equitable to pay "according to Gunter," and pay such bills less the proportion cut out or torn off. Fives and tens thus dissected are in circulation about here of the Middletown, Harrisburg, Lancaster, Chambers-

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burg, Gettysburg, and Waynesburg banks. As this manufacture of paper will, unless checked, become quite extensive, it would be well for all persons to refuse to receive such notes; and thus the game will be "blocked" on the ingenious rogues. — *Harrisburg Union.*

PENNSYLVANIA. — The Secretary of the Commonwealth advertises for proposals for a loan, in behalf of the State, of $3,300,000, redeemable in thirty years, at a rate of interest not exceeding four per cent., interest payable in gold and silver semiannually, on the first days of February and August, and to be exempt from every species of taxation. Proposals will be received for the loan at the office of the Secretary, Harrisburg, until Tuesday, the 1st of October next. The proposals are to be opened on that day, in the presence of the Governor, Secretary, &c., when the loan will be awarded to the highest bidder or bidders. Should the amount of bids exceed the sum of said loan, a *pro rata* distribution will be made among the highest bidders. In no case will proposals for less than $1,000 be received. The State reserves the right to accept the whole or any part of the sum offered, unless the proposals stipulate to the contrary. Coupons will be attached to the certificates. The object of the loan is to meet the payment of the funded debt of the Commonwealth now due or becoming due, and for the payment of domestic creditors to the amount of $85,000.

PUBLIC DEBT OF TEXAS. — An article copied into the present number, page 6, from the Journal of Commerce, contains an important error in the aggregate of the debt of Texas. We will furnish more accurate details upon this subject in our next.

COTTON IN ENGLAND. — The present price of cotton is about the same as at the close of 1840, lower than at the end of 1846, but higher than in any other of the last ten years. The following is said by the *Times* to be the number of spindles employed in cotton manufactures: —

In Great Britain and Ireland,	17,500,000
In the United States,	2,000,000
In Russia (about),	2,000,000
In France,	3,000,000
In Belgium (about),	1,500,000
In all other places,	2,000,000
Making a total of	28,000,000

The Chamber of Commerce at Manchester, perceiving the danger of depending upon one country only for a supply of this all-important staple, has called the attention of the government to the necessity of encouraging the growth of it in India and elsewhere. The largest arrival in one shipment of cotton from India that ever occurred is recorded this week. It consisted of no less than 3,136 bales in one vessel from Bombay. — *London Correspondent of the National Intelligencer.*

PROTECTION *vs.* FREE-TRADE. — The report of your Secretary of the Treasury does not, however, fare so well as might be expected would be the case. The protectionists hail him as a most important ally. If MR. MEREDITH were in London at this time he would be killed with kindness by this party. The free-trade advocates, however, are merciless in their criticisms, and not very choice in their language. We have no disposition to take sides in the business. Our opinion, unimportant though it be, has undergone no change upon the subject. *The policy which succeeds in England succeeds because it is adapted to her position; but the necessary and true policy for the United States differs as much from that now pursued successfully here as the positions of the two countries differ from each other. Our English free-traders cannot see this, and argue as though there could not possibly be more than one rule of commercial policy, which must be equally applicable to all countries, whatever may be the positions of those countries, as to every element of social, political, and commercial condition. — Ibid.*

ROYAL EXCHANGE, LONDON, JANUARY 25, 1850. — The great financial event since my last has been the negotiation here of a loan of £5,500,000 sterling, by Messrs. Baring, Brothers, & Co., on behalf of the Russian government, interest at 5 per cent., the subscription rate being 93. The contractors, in the present easy state of the money market, had no difficulty in finding principals, and the amount was allotted very soon after their circular appeared. The scrip is now issued, and bears a premium of 3 to 4 per cent.

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The payment of the deposit money has occasioned a little hardening in the market, and rather better rates are obtainable for money on call in consequence; but still accommodation is easy. It seems likely that the scrip will not remain long in the hands of our capitalists, for the advices from the Bourses of the Continent indicate a good demand for it abroad. Therefore, it is more than probable that large purchases will be made here for foreign account in these securities. Whatever views may be entertained of the Autocrat's general procedure, we only state a fact when we affirm that, with many rich people in England, the credit of Russia stands very well, as is indeed sufficiently proved by the alacrity with which Messrs. Barings' subscription list was filled. We believe that they had no occasion to go beyond the circle of their personal friends for eager applicants.

The *morale* of the transaction has excited considerable controversy, and it is clear that no very defined views are entertained as to how far a man is responsible for the uses to which money loaned by him may be appropriated. Political economy, teaching that "to buy in the cheapest market and sell in the dearest" is the seminal principle of commerce, — that capital must be allowed to find its own level, — that all interferences between buyer and seller are impertinent and mischievous, — is said to be at direct issue with that high morality which makes incumbent the *duties* of property while its rights are maintained. In short, the peace-party asserts that to provide the sinews of war to an arbitrary and cruel power involves moral complicity in its sinister proceedings, — an aiding and abetting of the inhuman policy which that government is engaged in carrying out. — *Ibid.*

THE DRY DOCK BANK AND NORTH AMERICAN TRUST AND BANKING COMPANY. — The Journal of Commerce has given several admirable articles on what is called the "Dry Dock Bank Case." The recent decision in that of the North American Trust and Banking Company has not been sufficiently noticed. Indeed, the facts are not sufficiently before the public. By the decision in the former case, Messrs. Morrison & Co., of London, are defrauded of a large sum, and in the latter case, Messrs. Palmer & Co., also of London, are in like manner deprived of a large amount, due to them on every principle of justice.

From the opinions of the Supreme Court and of the Court of Appeals, and the trust deed therein referred to, it appears that the facts are as follows: —

In March, 1840, the Bank, which had an account with Palmer & Co., of London, gave a credit on them to Mr. T. E. Davis, for £16,875. Both he and the Bank promised to remit, to pay the money so drawn for.

They did not remit, and the account was in consequence sent to Mr. Blatchford for recovery.

The trust deed explains very clearly what followed, viz. that certain securities were placed in the hands of trustees to "indemnify" Palmer & Co.

That the Bank issued 48 promissory notes, payable in London after 12 months, for a greater sum than that due to Palmer & Co.

These notes were granted after the Banking Act of June, 1840, and it is held that that Act prohibited the issue of such notes.

It is but fair to believe the Directors did not consider themselves acting contrary to that Act, believing that notes payable in London, and which could not circulate in this State, could not be subject to that law.

It is evident, that the sole object in granting these notes was to debar Palmer & Co. from claiming their money under 12 months.

It may be said that, though the Bank knew the notes could not circulate in this State, they might circulate in England. The notes being payable to order, could not pass without indorsement, and no man, or house of business, would indorse such paper, for obvious reasons.

If, then, the Directors of the Bank have been guilty of offence, that offence amounts to no more than an attempt on their part to do what was impossible.

It is very clear that, as far as the interests of Palmer & Co. were concerned, it was precisely the same thing, whether the notes remained in the Bank in Wall Street, or were transmitted to London. It is in evidence that they never were out of their hands.

The opinions of Judge Edwards and Judge Bronson explain themselves.

The Banking Law of 1840 makes it a misdemeanour for Directors to grant notes payable on time, bearing interest, punishable by fine or imprisonment. In this case, Palmer & Co. are deprived of their property, though they have most assuredly been guilty of no offence as to that or any other banking law. — *N. Y. Journal of Com.*

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BANK ROBBERIES.

THE Dorchester and Milton Bank, at Dorchester, Massachusetts, was entered on the night of Saturday, June 1st, and robbed of about thirty thousand dollars, in the circulation of the Bank, together with the specie on hand, about $5,000, and $14,000 in blank notes not filled up. The Bank has issued the following advertisement.

The Vault of the Dorchester and Milton Bank was broken open and robbed on Saturday night last of about Thirty Thousand Dollars of the Notes of said Bank, — a quantity of Specie, — about Seven Hundred Blank Notes of the denomination of $20, — and the Copperplate upon which they were printed. Among the bills taken were a large number which can be identified at the Bank.

The Directors have therefore determined to call in their circulation, and will issue no bills of said Bank. All bills legitimately out will be redeemed at their own counter. All persons are cautioned against receiving any notes of said Bank, unless from persons to them personally known, as the notes stolen will not be redeemed.

Per order of the Directors.

June 3, 1850. E. J. BISPHAM, *Cashier.*

The following were the liabilities of the Dorchester and Milton Bank at its last annual report:

Circulation, fives and upwards	$ 45,860	
do. under fives	15,483	
Deposits	36,560	
Profits $602, capital $100,000	100,602	
		$198,505

ASSETS.

Bills receivable, stocks, &c.	$179,144	
Due from other banks	10,160	
Bank-notes	2,391	
Coin on hand	6,810	
		$198,505

The first door of the vault has four locks, which had apparently been opened without force; the second had two locks, with a strong band of iron covering the keyholes, and fastened with a stout padlock. The villains must have opened the padlock with false keys, removed the iron band, and, finding that their instruments were not calculated for the work of opening the door, inserted gunpowder in each of the keyholes, and blew off the locks. The banking room is in the second story of the building, the lower part being occupied as a store, by Mr. J. Brewer. The cashier of the bank, Mr. E. J. Bispham, resides in the same building.

Connecticut River Bank, Charlestown, N. H. This institution was entered by false keys, on Tuesday, June 11th, and about $11,750 taken from the vault. The robbers became alarmed soon after taking the money, and left it in a buggy on the road, about twenty miles from the town.

Cleveland Insurance Company. The office was robbed, early in June, of $12,000, in the most scientific manner. The vault was opened, though it had one of Day & Newell's combination locks, and the money, of which the sum of $2,000 was in coin, cleared out, though a package containing $40 marked as belonging to a benevolent society was left, and the rogues wrote the following note to an officer of the institution, which they sealed with wax, and affixed to it the Company's seal: —

Dear Sir, — This is what we call a *safe* opperation. (This apropriation is for the binefiet of the Cuba expedition.) Yours, Respectfully.

The robbers have since been detected, and the money recovered.

Fell's Point Savings Institution, Baltimore, Md. A bold, but, through the vigilance of the watch, unsuccessful attempt was made on Sunday night, June 9th, to

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rob the Fell's Point Savings Bank, on Broadway, near Canton Avenue. Watchman Bradenhouse was making his 12 o'clock round, and had halted for a moment in front of the bank, when he had his attention arrested by a slight noise proceeding from the interior of the building. He immediately tried the front door, and finding it, to his surprise, unlocked, he called out and inquired who was there, to which a voice from within replied, "It is me," and almost simultaneously an attempt was made to wrest the door, which he was holding, from his hand. He then closed the door, and, calling for help, Watchmen Sapp and Rogers from the adjoining, quickly came up, and succeeded in arresting two of the burglars, who, after finding their escape by the front door cut off, had gone out at the door in the rear. One of them was caught in the private alley coming down by the side of the bank, and the other in the act of jumping over the wall of the yard. From their appearance they are supposed to be Englishmen, and no doubt expert and practised thieves.

An examination of the bank after their arrest gave conclusive evidence that they had made the arrangements for the robbery with all possible precautions that might tend to its successful execution. Entrance had been obtained to the bank by means of false keys, as the lock of the front door was uninjured, and pieces of black muslin had been hung up before the windows in order to obscure the light which they were obliged to use whilst endeavouring to force open the door of the vault in which are kept the deposits of the bank. Their tools, of which they had a most complete and extensive set, were arranged conveniently to use, and the rascals had even gone to the length of bringing refreshments with them, which were spread upon a table to be disposed of during the intervals of their labor. From the appearance of the door of the safety vault, the burglars first tried to force it open by means of short steel crowbars, with which they were provided, but, this proving ineffectual, they sat to work to saw out the lock, and had made considerable progress in this when they were interrupted; but as there was another door beyond that on which they were operating, it is doubtful whether they would have in any event accomplished their object of getting into the vault. For the purpose of carrying off their treasure when secured, they were provided with a pair of large India-rubber pouches, or haversacks, intended to be secured by a strap across the shoulder. From the fact of three coats being found in the bank, it is supposed that three persons were engaged in the attempt, and that one succeeded in making his escape, and from the fact that a whip was also found, it is suspected that they had a vehicle in waiting to facilitate their escape, in which their confederate, probably, made off, after eluding the officers. — *Baltimore American.*

BANK ITEMS.

Boston. — Pliny E. Kingman, Esq., has been elected Cashier of the Grocers' Bank, Boston, in place of William H. Foster, Esq., now Cashier of the new Bank of Commerce, at Boston.

New Banks in Boston. — Three new banking institutions were incorporated by the last Legislature, to be located in Boston, viz. Bank of Commerce, capital $750,000, Bank of North America, $500,000, Haymarket Square Bank, $150,000. The first and last mentioned of these have been organized, by the appointment of boards of directors, and will soon commence operations.

The Bank of Commerce will be located at No. 83, State Street, in a new building now in course of erection, and will probably commence business on the first of August next. The banking-house is located upon the property of the late William Lawrence, on the east side of State Street, and, according to the plan of the architect, will be an ornament to that part of the street. A large portion of the capital stock of this new institution has been subscribed by merchants and capitalists of the most respectable classes, about one third being taken by Insurance Companies, Savings Banks, and trusteeships. The subscription in behalf of such parties is in itself conclusive of the confidence felt in the success of the new institution.

It is contemplated, we understand, to make the Bank of Commerce an eminently *commercial* institution; that is, it will have correspondents at every practicable point

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in the Union, and likewise in the British Provinces; and, under favorable and extensive arrangements, reduce the rates of exchange to such a standard as will secure a liberal share of the business of the *commercial* community.

The board have been exceedingly fortunate in the selection of William H. Foster as Cashier of the Bank of Commerce. The long experience and well-known ability of this gentleman as a bank officer will be valuable aids to this new institution. The President is Edward C. Bates, Esq., and the Directors, B. E. Bates, James W. Baldwin, Abel G. Farwell, Charles J. Hendee, Patrick T. Jackson, T. W. Peirce, Jacob Sleeper, Jarvis Slade, R. S. Wade, and John Worster.

Under such management we hope the new institution will be beneficial to the community and profitable to the stockholders. Our readers are already somewhat familiar with the ability of Mr. Foster as a writer. His articles upon "The Banking Policy, &c., of Massachusetts," and upon "Commercial Crises," have been extensively copied into some of the Boston journals, with much credit to the author.

SALEM. — Mr. J. Hardy Towne, has been appointed Cashier of the Naumkeag Bank, in place of J. G. Sprague, Esq., who has resigned after a faithful and efficient discharge of the duties of the office for about nineteen years, or ever since the bank went into operation.

BLACKSTONE. — The Worcester County Bank, located at Blackstone, has been organized, and will commence operations on the 1st of July. Henry S. Mansfield, formerly Cashier of the Village Bank, Slatersville, has been chosen President. The capital stock of the new Bank is $100,000.

SPRINGFIELD. — James M. Thompson, Esq., has been elected President of the Hancock Bank, at Springfield.

CONNECTICUT. — The Legislature of Connecticut has under consideration a general banking law. According to its provisions, the securities, to be deposited (at their par value) with the State Treasurer, are stocks of the United States, the States of New York, Massachusetts, Ohio, the cities of New York and Boston, and any incorporated city in Connecticut. The treasurer and the school-fund commissioners constitute a board of control, who are authorized and required to meet once a month to examine the securities deposited. If in their opinion there are not sufficient to protect the circulation, then it is their duty to require additional security forthwith, and if it is not furnished within ten days, then the Superior Court appoints a receiver, who immediately winds up the affairs. Stockholders are individually liable for the indebtedness of the bank.

We learn that action upon this subject will probably be postponed until the next session of the Legislature.

The General Banking System is not popular in Connecticut. The banks are considered as in a very sound condition, and but small losses have been sustained in the State from bank failures in times past.

NEW YORK. — The annual report of the Bank of Commerce states that no bad debt has been paid for the last two years, nor has any portion of the previous bad debts been realized during the past year. The total loss by bad debts, therefore, from 3d April, 1839, — when the bank commenced business, — up to the present time, remains as stated in the last report, viz. $ 63,764.32. There is no suspended debt, no paper under protest, nor any obligation taken in compromise, now standing on the books of the bank.

The amount of capital paid in at the last report was . . .	$ 3,449,720
Since then, 9,458 scrip shares have been made full shares by the voluntary payment of $ 60 per share	567,480
Making the present capital $ 4,017,200.	
The present number of shareholders is 1,038.	

PHILADELPHIA. — Girard Bank, June 13th, 1850. — The Board of Directors have resolved to dispose of the stock held by the bank at twelve dollars and fifty cents per share, giving the present stockholders the first opportunity of purchasing the same, say one share for every two they now hold. All stockholders who may desire to purchase their proportion, or any part, may do so, provided they make application at the bank, either in person or otherwise, on or before the 15th day of July, 1850.

W. L. SCHAFFER, Cashier.

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BANK OF THE U. S. — The trustees of the Bank of the United States, under the assignment of June 7, 1841, made to secure the notes and deposits of the said bank, give notice that they are prepared to pay, out of funds received from the September trusts, a dividend on the principal of the notes and certificates of deposit heretofore presented and left with them, upon presentation of the secretary's receipt, at their office.

MARYLAND. — Two new banking institutions have commenced business in Maryland, under charters granted at the last session of the Legislature.

1. The Cecil Bank, at Port Deposit; President, J. Tome, Esq., and Cashier, A. Anderson, Esq.

2. The Cumberland Savings Bank, at Cumberland, Alleghany County; President, I. R. Annan, Esq., and Cashier, Robert Bruce, Esq. The latter had been in operation one or two years as a Savings Institution.

FREDERICK. — A. B. Hanson, Esq., has been appointed President, and I. H. Williams, Esq., Cashier, of the Frederick County Bank, Md.

STATE BANK OF OHIO. — M. A. Daugherty, Esq., has been appointed Cashier of the Hocking Valley Bank (Branch of the State Bank of Ohio), at Lancaster, in place of W. Slade, Jr., Esq., resigned.

OHIO. — There are now in operation in Ohio fifty-seven banks, viz.

11 Independent Banks, furnishing State Bonds for circulation;
41 Branches of the State Bank of Ohio;
5 Old Banks, whose charters have not yet expired.

Forty-three of these banks have associated together for the purpose of establishing an agency at Cincinnati, for the redemption of their bills, by furnishing exchange on the Eastern cities. Each bank maintains a fixed balance at New York, according to its circulation, against which the agency is authorized to draw for all bills redeemed at Cincinnati. Such redeemed bills are forthwith sealed up and returned to their respective places of issue. This combination keeps the discount at a uniform rate on country circulation, and obviates the necessity for demanding specie from remote institutions. It is in fact established upon the principle of the *Suffolk Bank system*, at Boston, with this simple difference. In the latter a specie balance is maintained at Boston by each country bank, while in the former Eastern funds are furnished *at specie rates*.

The agency at Cincinnati has been in operation about six months, and now redeems about $45,000 daily, or above $1,200,000 per month, for all which Eastern exchange only is furnished, in sums to suit the holders.

CANADA. — It will be seen, by our reports of proceedings in Parliament, that the Ministry intend, during the present session, to introduce a bill, upon which a General Banking and Currency Law may be based; and we suppose there can be doubt of their carrying whatever measures, in relation to these very important matters, they may consider conducive to the public interest. We cannot, of course, pledge ourselves for the correctness of our information on the subject, but the source from which it is derived induces us to place every confidence in it, and we believe the Ministerial scheme, when made public, will be found to exhibit the following features. The Provincial currency will — like every other reform in the institutions of the country — be an exact adaptation of the United States system; that is, the coins will be decimally divided, or in other words, we shall have all the conveniences of dollars and cents, and all coins will be of the same proportionate value as those circulating in the United States; which latter, with our own, will be the only legal current coin of the Province, — all other coins being put on the footing of bullion, and consequently only current at their intrinsic value. With regard to banks, we understand the Bank of Issue crotchet has been altogether abandoned; and that our law will be, in all its main features, an exact "transcript" of that of the State of New York; all parties being at liberty to issue paper money, payable on demand; but all who do so, being, under heavy penalties, obliged to afford the public security for their issues, by investing a certain amount in the public securities and lodging them in the Provincial Treasury. The minor details of the proposed laws we are not, of course, informed of, but we believe the above will be found to embrace their general features. — *Montreal Herald, 18th June.*

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Notes on the Money Market.

BOSTON, 25TH JUNE, 1850.

Exchange on London, 60 days, 110 to 110¼.

THE peculiar features of the past month have been extensive operations in State loans and other public securities. These have reached high figures generally, and the stock market is yet buoyant, exhibiting no tendency to decline. New York State six per cents have found buyers at 118¼, while holders demand 119½ to 120. Massachusetts five per cents, dull a year since at 94½ to 95, are now par. This latter stock has perhaps undergone fewer fluctuations than other State loans. Two years since it was sold at 94 to 95. A year since, also, no less than ten of our City Banks were under par, — now but one or two. We propose to give a yearly table of the market value of every stock in the market for each month in the year, as a matter for reference at a future day. This we began in our last volume, — tables being given of one hundred and fifty different stocks at twelve different periods of the year 1849. A duplicate of the same tables was given on the cover of our January number.

The leading operation of the past month has been the negotiation of the new Ohio State loan. The whole amount required was $2,600,000, viz.

$1,000,000 at five per cent., redeemable in 1865,
1,600,000 at six per cent., redeemable in 1875,

the interest payable semiannually in New York. The notices for the loan were rather too short to give that publicity which it requires, to enable foreign and domestic capitalists to send in their orders.

The bids were opened on the 19th June, and exceeded three millions in the aggregate. The successful bidders were as follows, —

Six per cent. stock of 1875.

	Premium.		Premium.
$ 10,000	$ 15 26 per cent.	$ 200,000	$ 13 81 per cent.
10,000	15 64 "	200,000	13 58 "
5,000	15 75 "	200,000	13 08 "
5,000	14 83 "	200,000	12 81 "
7,000	14 03 "	200,000	12 38 "
13,000	13 63 "	200,000	11 31 "
12,000	12 77 "	125,000	11 08 "
13,000	12 33 "		
200,000	14 08 "	$ 1,600,000	

Five per cent. stock of 1865.

	Premium.		Premium.
$ 200,000	$ 0 28 per cent.	$ 185,000	$ 2 04 per cent.
200,000	0 78 "	15,000	2 00 "
200,000	1 58 "		
200,000	1 88 "	$ 1,000,000	

Fully $ 1,400,000 of the above was taken on foreign account; the parties interested were Auguste Belmont, D. S. Kennedy, Ward & Co., Jacob Little & Co., Cammann & Whitehouse, P. Harmony's Nephews & Co., De Rham & More, Moran & Iselin, James G. King & Sons, Drew, Robinson, & Co., Winslow, Lanier, & Co., L. & E. Decoppet, James K. Hamilton & Sons, and banks in Ohio. It is understood that the whole amount will be paid in cash.

Although the surplus adds largely to the Sinking Fund of the State, the premiums bid are by no means commensurate with the late quotations of the former six per cent. loans. The loan of 1870 has been quoted as high as 118 to 119 within the last thirty days.

Another large operation during the month was the bids for two and a half millions of Erie Railroad Income Bonds, bearing interest at seven per cent. The bonds are redeemable in five years, subject to previous mortgages to the sum of $ 7,000,000. The loan was taken on

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the 12th inst., at an average of 90 per cent., chiefly for speculation. Capitalists have a dread of this description of security. So many roads have proved unprofitable, and the fall so great in numerous instances, that a fair value cannot now be obtained. The decline in Reading stock, Norwich and Worcester, Long Island, Vermont Central, and the present value of the Erie Railroad stock, deter many from embarking capital in such securities.

Sterling bills have fluctuated during the month, between 9¼ and 10¼. Bills for the steamer of the 26th are in demand at 110¼ to 110½, notwithstanding the large amounts of government and State loans going forward and the specie shipping to Europe.

The following table will show the export of specie from New York for the year thus far.

Steamer Atlantic, Liverpool, sovereigns,	$ 242,000
Steamer America, Liverpool, sovereigns,	203,280
Brig Almatia, Jacmel, five francs,	9,463
Ship Rebecca, Rio Janeiro, Spanish doubloons,	51,525
Ship Zurich, Havre, five francs,	19,170
" " half-dollars,	50,000
" " Mexican dollars,	50,000
Total, June 15 to June 22,	$ 625,438
Previously reported,	1,745,144
Total for 1850,	$ 2,370,582
Total from Boston for 1850,	$ 280,000

No argument need be adduced to show the unfavorable state of trade at this moment with Europe. Every packet and steamer carries out large amounts of the leading State loans, government loans, &c., — while every vessel arriving hence from England and France is freighted with costly goods, at the expense of our own domestic market. This evil cannot long continue: — it will correct itself. Pay-day must come for the millions of loans now held in Europe, negotiated for our own States and corporations, and pay-day must also come for the heavy imports of the current year.

Some relief is felt in State Street, from a more plentiful supply of money. Good paper is readily negotiated at 7 to 8 per cent., and an advance is observable in nearly every stock in the market. At New York money is still more abundant. The rates are, for first class paper, 5 to 6 per cent., and loans on call, secured by stocks, 5 per cent.; for ordinary business paper, 7 to 10 per cent.

The arrivals of gold from California have amounted to about $ 1,900,000 between the 1st and 21st of June, — and the coinage for the same period at Philadelphia, $ 1,674,000. Congress has not yet decided upon the question now before them, as to a mint in the city of New York. Until other and more serious subjects are disposed of, we suppose the mint bill will remain as it now is. A bill has been introduced in the Senate for the reduction of letter-postage to *two cents*, in lieu of the existing five and ten cent. rates. Public opinion demands this change, and we have no doubt that, if carried into effect, it will have a highly favorable influence upon the country at large without affecting injuriously the Post-Office revenue.

DEATH.

At Buffalo, on the 10th of June, George Morgan, Esq., President of the Mechanics and Traders' Bank of New Orleans. Mr. Morgan had for some time past been suffering from hemorrhage of the lungs, and left New Orleans, accompanied by his family, with the intention of spending the summer at Staten Island, N. Y. On his arrival at Buffalo his disease so increased that he was unable to proceed farther. His brother, in New York, on learning of his danger, at once despatched to his aid two distinguished physicians, but they arrived too late. Mr. Morgan expired on the 10th instant. He had long resided in New Orleans, where he was highly respected, and will be long lamented, having been connected with many enterprising and public-spirited movements.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. AUGUST, 1850. No. II.

BANKS AND BANKING.

TO THE EDITOR OF THE BANKERS' MAGAZINE.

IT was not our intention to controvert the position assumed in your notes to our remarks in the May number of your Journal, — that the banks in Boston were doing all in their power to furnish facilities to the public; nor to assert that they were the cause of the pressure in the money market; but simply to show that the statements of the relative condition of the banks of Boston and New York, exhibited by you, furnished no evidence of the fact, but apparently to the contrary. Their use of *credit* as compared with *capital* is evidently small, and no reason was given why the banks of Boston could not use credit, — that is, increase their loans in proportion to their capital, — to the extent practised by the banks of New York. Nor did we allege that deposits were not a proper basis for loans; on the contrary, we observed that "to a certain extent the practice is correct"; nor did we say the 26 millions of deposits in New York were capital seeking investment, but that the 13 millions which we assumed to be over and above the *commercial* deposits proper, were capital waiting investment, and if used by the banks as the basis of loans, they constituted 26 millions, — that is, the *owners* of these 13 millions were desirous to loan them, and if the banks were loaning them also, then the amount was doubled in the loan-market.

What we mainly had in view was, to induce some more philosophical investigation and consideration of the subject of banking and currency. Dry statistics in relation to these topics, like the facts of natural philosophy, are useful only as they enable us to determine *the science* of the

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subject to which they relate. It is time some further *use* was made of the facts collected, and your May number furnishes hints of topics of great interest to those who desire to study the subject, and your columns, we do not doubt, will be readily given to their investigation, to some of which we will call the attention of your readers.

The admitted fact, that for many months money has been, and seems likely to continue to be, scarce, and the rate of interest high, in Boston as compared with New York. What are the causes? (1)

The creation of new banks in New England. The mode of reasoning in the public mind is, The banks make money; money is scarce; let us make more banks. Will the result justify their expectations? If the *existing* banks are unable to extend their loans, can the *new* banks create additional money for the public?

The article of your correspondent C. A., in relation to State Stocks as the basis of bank issues. Are his views correct? He assumes that the capital of banks in New York being permanently invested, therefore the ability of the banks to make loans is diminished, and their capital unavailable for the redemption of their notes; yet the banks of New York loan 100 per cent. beyond their capital. He further remarks, "the great error, not only in this State (New York), but in most others, has been, in permitting banks to issue two dollars of notes for one dollar of capital, and in many States even more." Now is this statement true? (2) Is there any section of the country in which there is an issue of two dollars of notes for one of capital? If notes issued are the quantity denominated in the returns as *circulation*, — and that is what he means, because he says the system may be adapted to cities "where but a small amount of notes is needed in proportion to the amount of commercial transactions"; he therefore does not include deposits in what he terms "issues," — how shall we account for such statements from one who supposes himself competent to enlighten the public on the subject of banking? Your table, p. 937, shows the circulation of New Hampshire $1,751,096, capital $2,203,950, and at p. 932 we have the returns of Pennsylvania circulation, $11,385,780, capital $18,478,382. Where, then, is the section of country in which the issues are two dollars of notes to one of capital?

In your note to his article you express the opinion that "bonds and mortgages (3) should form a large part of such basis, *superadded* to a large paid-up capital." Do you mean that a stockholder should pay for his shares in cash, and then add a mortgage upon his real estate, as a further security? Hardly. Or only that he should pay cash for one half of his stock, and give a mortgage on his estate for the other, thus substituting mortgages for the stock, which the bank now buys with the cash paid by the stockholder for his stock?

In what respect is this *better* for the *public*? Are mortgages in any sense better security than State stocks, except in a case of *repudiation*, a fraud which should never enter into consideration in banking? Are they better for the *bank*? While it is solvent, dividends on stock would be more certain than interest upon mortgages; and in case of failure, which could only occur by a great public calamity or fraud on the part of its managers, its affairs would be more readily closed by a sale of its stock than a foreclosure of mortgages.

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You observe, further, "It is an evil to have too many banks with small capitals." This certainly is not in accordance with the practice and experience of New England, whose banks in the opinion of intelligent persons are the best in the world. The argument drawn from the 48 individual banks in New York proves nothing; they are not banks, as you observe, but mere enterprises, established under our stupid redemption laws for the purpose of shaving their own notes at a discount; they never lend money legitimately, but simply to create a circulation to be redeemed at a discount of ½ to ¾ per cent., and, by repeating this two or three times a month, to make 15 to 20 per cent. per annum interest upon capital. If New York had the wit to insist upon the New England system of redemption, this evil would be at an end. A bank is simply a shop for the sale of capital; its size should correspond to the business to be done in its locality; competition in banking is as necessary as competition in any other business, to secure the interests of the public. New England has lost nothing by her numerous banks, — at least, she proposes to make more.

HANCOCK.

NOTE BY THE EDITOR. — 1. The leading causes of the scarcity of money in Boston for a year or two past may be assigned to overtrading and to heavy undertakings in railroads and other improvements; and more recently to an absorption of capital for California. It is well known that Massachusetts has embarked larger sums in railroads than other States in proportion to its means, and has likewise contributed an undue share to the exportation to California. This latter cause has operated more largely than many imagine, in producing a cramped money market.

There is another cause of uneasiness, which cannot be fully appreciated, as its extent is not so well known. We mean the tendency of capital to New York, where it is not so severely taxed as in Massachusetts, and where the legal rate of interest is one sixth larger than in the New England States. Large sums belonging to Massachusetts and Connecticut banks and individuals thus find ready channels of investment in Wall Street. A country bank in either of the last-mentioned States with surplus cash, for which the *right sort* of paper cannot be had at six per cent. and a quarter or half per cent. for exchange added, can find choice commercial paper and other means of investment for $50,000 or $100,000 in Wall Street, at seven to twelve per cent. This, too, any day in the month, notwithstanding the reported ease of the New York money market. An amendment of the Usury Laws of Massachusetts, so as to make contracts valid at seven or eight per cent., would obviate this in some measure.

Money will seek investment where it yields the best returns, and we cannot shut our eyes to the fact that New York thus offers superior advantages over its neighbors. The creation of new banks will not sensibly affect the matter. An increase of nominal bank-capital does not increase the facilities of the community. Massachusetts has six millions more bank capital now than in 1845, having been gradually increasing from year to year, yet the aggregates of loans and circulation are less now than in 1847. Their circulation cannot be extended much beyond its present limits, without producing balances against them. Their specie is barely enough to maintain their present issues.

2. In some instances banks have issued fifty or one hundred per cent. in circulation above their capital, without causing any uneasiness. This is the case at present, or has been recently, with the banks of Missouri, Indiana, Mobile, &c. The latest returns show the following results: —

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	Bank Capital.	*Circulation.*	*Specie.*	*Loans.*
Missouri,	$ 1,200,000	$ 2,594,000	$ 1,900,000	$ 3,000,000
Indiana,	2,082,000	3,300,000	1,285,000	3,900,000
Ohio,	7,128,000	10,444,000	3,240,000	15,592,000.

These banks are fortified, not only with specie, but with abundant Eastern exchange. Their circulation, being diffused over a large extent of country, is not so liable to concentration or redemption as that of New England.

3. Bonds and mortgages are to a certain extent a fair basis for bank circulation; but a good margin should be allowed for depreciation in the market value of the property. Such securities are no better than State bonds, but where the latter cannot be had (as may be the case a few years hence), mortgages may be considered as a good security to be held by the State for the redemption of bank-notes. Thus far, the forced sales of mortgaged property, for the redemption of bank issues, have paid as large a percentage as State stocks sold under similar circumstances and for a similar purpose.

As regards the larger line of discounts in New York when compared with Boston, and as compared with the bank capital of the latter city, it is evident that New York possesses a larger *bonâ fide* capital in proportion to its bank capital, and has in fact larger means with which to operate. This has been the case for many years past, and especially since 1847, when the troubles in Europe brought a large accession of capital to New York. The latter has, in a much larger degree than the neighboring cities, derived a great impetus from this source, and we can illustrate this by the following quotations from the bank returns.

Capital and Deposits.	1847.	1848.	1849.
N. Y. Bank Capital,	$ 23,791,000	$ 24,136,000	$ 24,657,000
Boston do.	18,863,000	18,980,000	19,577,000
N. Y. Deposits,	25,000,000	20,353,000	27,000,000
Boston do.	7,856,000	6,430,000	7,290,000
N. Y. Loans,	46,000,000	46,225,000	45,280,000
Boston do.	34,158,000	30,088,000	31,014,000.

The New York City banks at this period have a deposit line of $ 31,000,000, and balances due foreign banks $ 12,000,000, making together above forty millions of deposits, upon which large portions of their loans are based; whereas, the aggregate individual deposits and bank balances held at Boston are less than *twelve millions*. This, too, while Boston is the depository of nearly all the New England banks. Hence we see why New York, with a bank capital nominally twenty per cent. larger than Boston, has a line of discounts fifteen millions larger than that of Boston.

We attribute the difference to a more liberal policy on the part of New York. In the latter a more liberal interest on money is allowed by law, and the banks are taxed lightly. In Massachusetts the legal rate of interest is confined to six per cent., instead of eight or nine as it should be, and the banks of the Commonwealth are taxed three hundred and fifty thousand dollars annually (being one per cent. upon their capital), out of an ordinary income of half a million. The banks contribute two thirds of the revenue of the State, while real property is, for State purposes, *entirely free from taxation*. A slight modification of the interest and bank-tax laws of Massachusetts would, no doubt, tend to restore and maintain the former equilibrium which is now disturbed, and arrest the present flow of capital towards New York. To carry on business upon advantageous terms, the banks of this Commonwealth should be allowed conditions quite as favorable as those of their neighbors. The first measures to be adopted are a liberal modification of the interest laws, and a reduction of the bank-tax to one quarter or one half its present rate.

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GUARANTEE INSURANCE.

From the London Bankers' Magazine, May, 1850.

"Suretyship: the Dangers and Defects of Private Security, and their Remedy." By Charles Saunderson, Esq., late an Auditor of the "Guarantee Society," 19, Birchin-lane, London.

A NEW edition of the excellent pamphlet by Mr. Saunderson, on the subject of Suretyship, very opportunely directs our attention to the important questions connected with one of the latest and most useful applications of the principles of Insurance, — namely, their application to risks of a moral as well as of a mathematical character.

The Society with which Mr. Saunderson is connected, and with which, we believe, most of our readers are more or less acquainted, has the great merit of being the first public body who reduced into a practical form a new and eminently useful scientific suggestion.

The "Guarantee Society" (19, Birchin-lane) was established in the year 1840, for the purpose of granting policies against the dishonesty of persons employed as servants, in almost all branches of commercial and professional pursuits. And after the first fit of suspicion with which most new undertakings are regarded had gradually disappeared, it did not require any profound effort of reflection to perceive that the "Guarantee Society" had not embarked in either an impracticable or an unprofitable enterprise.

Few general truths receive more complete confirmation in the progress of science and discovery, than what may be called "The Law of Average." It appears to be a fundamental principle of the natural and moral order of the universe, that in the occurrence of every description of events, — whether great or small, or whether separated by intervals of long or short duration, — there shall, so long as the circumstances remained essentially the same, be a rigid rule of proportion. That is the general fact. Whether we possess the means at all times of tracing its influence, and proving its pressure with sufficient minuteness, is another question altogether. The common applications of Life Insurance proceed entirely upon the supposition of a law of average; and the reason why Life Insurance has become one of the safest and most successful instances of the introduction of scientific formulæ into the details of practical life, is simply this: — That the facts and circumstances connected with the birth, and death, and longevity, and diseases of human beings are better known and more accurately recorded than any other class of data by which the law of average has been elucidated.

Insurances against the loss of property by shipwreck, and by fire, depend equally upon the operation of a rule of proportion. But there is the widest possible difference between the science of *Marine* and *Fire* Insurance, and the science of *Life* Insurance, — and a difference which arises entirely from the absence, in the first two, of the accurate and extensive observations which are the distinguishing feature of the last. A good table of mortality will indicate, pretty closely, the average duration

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of life among any given number of human beings at any selected age; and hence the operations of a life-office partake of the certainty of the mathematical sciences with which that class of institutions is so much concerned. Now, if there were tables of what may be called the *mortality* of ships and houses, as well as of the mortality of men and women, the insurers against shipwreck and fire might conduct their business entirely by the aid of fixed and uniform rates of premium, quite as safely as those who grant policies against some of the casualties connected with human life. So far, the practice of Marine and Fire Insurance has never advanced beyond the dignity of an *art*, and has never escaped from the uncertainties of an adventure; nor can it do so, so long as no systematic efforts are made to discover, by the minute analysis of an extensive series of facts, the law of average which prevails under certain classes of well-defined circumstances.

Now, what the occurrence of deaths, and the occurrence of shipwrecks and fires, are to the ordinary insurance offices, the occurrence of dishonesty is to the *Guarantee Society*. The life offices reckon that, one with another, so many lives will live so many years; the fire offices reckon that, out of so many houses insured, a certain number only will be burnt; and the underwriters also reckon that, out of a given extent of business, there will be a given percentage of loss. Precisely in the same manner, upon the same grounds, and with the same certainty, the "Guarantee Society" assumes that, out of a given number of policies issued against fraud, only a certain number will result in claims upon its resources. If all men who insure their lives were to attain the longevity of the patriarchs, the life-offices would become a great deal richer than Crœsus; and the same thing would happen with the insurers against fire, and the underwriters against shipwreck, if no more houses should happen to be burnt, and no more disasters should occur at sea. But, on the other hand, a speedy and sweeping destruction would overtake every insurance institution, if the law of average should be departed from as widely in the opposite direction. If, for the space of a year, nobody should happen to die but those whose lives were the subject of policies of insurance, no houses to be burnt but such as were amply covered by a regular premium, and no ships to sink but such as were sufficiently underwritten, two things would happen, — the world would have witnessed a perfectly new order of phenomena, and would stand in need of a perfectly new interpretation of the doctrine of chances.

Just in the same way, if all the men to whom the *Guarantee Society* extends its liberal and useful aid were, by some fatality, to prove defaulters, the institution could not be kept alive. But, until some radical change takes place in the course of nature, it is quite as improbable that any event of this kind will happen, as that the sun will rise on the wrong side of the horizon; that the Thames will run up Richmond Hill; or that unicorns will take possession of the Green Park.

It is essential, however, to perceive clearly *how* and *why* it is that a commercial calculation can be founded upon this general principle.

It must not be supposed that the law of average operates so rigidly and so exquisitely, as to enable any body of persons to reckon upon its in-

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tervention in their favor without the trouble of inquiry, and without the instruction of experience. According to such an hypothesis, a Life Insurance Company might insure the first hundred people who came to them out of the street, quite as safely and quite as advantageously as any other hundred people selected only after a careful and scientific inquiry. And, also, according to such an hypothesis, an institution of the nature of the "Guarantee Society" might take upon itself the responsibility of suretyship for one man as readily as for another. But it is quite plain that a proceeding of that kind would be altogether preposterous.

Each insurance institution can expect only to insure a very *small portion* of the *total* number of cases which make up the general average of such cases existing in the whole community. And hence the paramount necessity of *experience*, *calculation*, and *foresight*, in the management of every kind of insurance business, — but above all, of *experience*. In point of fact, the whole science of insurance is only the result of experience, expressed in a systematic and scientific form. We have already said that Life Insurance has advanced the farthest, because the results of *experience*, with reference to human life, are more extensive and more accessible than any other class of similar data. In all other branches of insurance operations, the advantage is clearly determined by the same rule. Why has an underwriter of fifty years' practice, with a cool head and keen observation, a better chance of succeeding than a man who has adopted the same profession only yesterday, and has every thing to learn? Obviously, because the experience and the observation of the first have taught him maxims, and made him acquainted with facts, which the second may or may not be able to acquire. Precisely the same thing may be said of banking; and we shall find that the probability in favor of the success of a man, or body of men, engaged in any pursuit where there *is no accumulation of previous data* easily accessible, is precisely in proportion to their command of the lessons and the facts of *experience*.

We have already seen that, until 1840, the experiment of a Guarantee Society had not been tried at all. All the experience, therefore, in this new branch of insurance practice has been collected since that year, and is in the possession of the Birchin-lane office. At some future time, perhaps, the results of this experience may be given to the world;* but, in the mean while, the office in question has the great advantage of having been the first to obtain accurate data on the subject of Guarantee Insurance, and will no doubt derive proportionate benefit, as a commercial speculation, from this priority of information.

The *Birchin-lane office* has also another material advantage in its favor. With insurance offices of all kinds, but in the most marked degree with those offices that have *not* the advantage of the accurate data of *life*-tables, the most difficult years are the first seven or eight of their career. When a *fire* office, for example, once gets fairly beyond the point at which its annual premiums decidedly exceed its annual losses, the critical corner may be said to be turned, and the concern is in the highway to

* We shall refer to the modifications of the original plan of the Guarantee Society by other Companies, in another article.

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prosperity. For the same reason we can quite understand that the most dubious periods in the career of the "Guarantee Society" were those early years when the payment of claims pressed rather heavily upon the income. We gather, however, from the last Report, which we published a short time since, that this state of probation has been surmounted successfully; and that the Society has now arrived at the command of ample periodical resources. For example, we find that the income of the Society was for the years ending, —

30th June, 1841	£ 1,111
" 1849	11,545
Increase	£10,434

We gather, also, from the same source, the following interesting statistics of the number of applications for new policies made to the Society in the course of the year.

Years.	Applications received.	Accepted.	Not passed.
1847	1,101	922	179
1848	1,486	1,272	214
Increase	385	350	35

The extent of business indicated by these figures is considerable, and the increase is even more remarkable than the extent. We believe that the results for the current year (1850) will exceed those of any former period in the Society's progress, in consequence of the adoption of the surety bond of the institution by the *Bank of England;* by the *Bank of Ireland;* by the *Northwestern Railway;* by the *Eastern Counties Railway*, and by some other large public establishments, which have adopted a general rule to discontinue the acceptance of private bondsmen, and to require certain classes of their servants to enter into arrangements with the Birchin-lane office. The accession, upon so large a scale, of important corporations like the Bank of England, is not only of great importance to the Guarantee Society, but it is also an event of moment to the commercial part of the public generally, — because it marks the admission of the highest authorities of the commercial world of the soundness of a new principle, and the sufficiency of a new and useful institution.

To the list of important public institutions which have discarded the principle of private suretyship in favor of the policies issued by the Guarantee Society, must be added the *Bank of Ireland.* And we regard with much satisfaction the extension of this species of Insurance to the sister kingdom.

It will enable our readers to form some idea of the amount of public benefit already conferred by Guarantee Insurance, if we place before them, from the last report of the Birchin-lane office, the amount of the claims paid by that office for defaults in the course of two years, 1847 and 1848. Thus: —

1847. — Claims paid,	£ 3,755
1848. — "	4,828
Total,	£ 8,583

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These figures will enable us to estimate, in some degree, the extent of private suffering and anguish from which the class — almost always the industrious, the frugal, and the deserving class, to which bondsmen commonly belong — have been saved by the intervention of this single office. If we suppose each defalcation to have amounted to only £250, and that, under the old system, each bond available for the default would have been signed by *two* sureties, the result would give us sixty-four persons and families, upon whom the misconduct of the dishonest parties would have entailed severe loss and acute distress.

It must not be supposed, however, that the protection afforded to employers by the Guarantee Society, in any instance or in any sense, becomes an encouragement to vice. If the Guarantee Society redeems its own policy by liquidating the claim against the defaulter, it also retains expressly the power of inflicting punishment, and of enforcing the restitution of what it has lost by the most stringent means. In a few words, the Society does *not* undertake to save, harmless, the *servant* as well as the *master*, the offend*er* as well as the offend*ed*, against the consequences of crime.

But there is also another, and an equally instructive inference to be drawn from the amount of losses upon default exhibited above. If, within the sphere of even a single office, and that office possessing exclusive access to the best and the most systematic data, losses to the extent of £8,583 did actually occur in the course of two years, it is quite clear that nothing but a constant exercise of the greatest care, and a constant reference to former experience in the acceptance of new business, can insure success in the present stage of the problem which it is the object of Guarantee Insurance to solve. Every additional year, and every fresh case, adds something to the materials which will, sooner or later, suffice for the construction of a system; but, in the mean time, it is of the utmost moment to the ultimate success of the experiment, that there should be no premature rashness and no premature failure. We may form some idea of the extreme importance of this, if we consider for a moment what would have been the disastrous influence upon the progress of Life Insurance, if the great offices, formed sixty, fifty, and forty years ago, instead of erring on the safe, had erred on the unsafe side, and had, one by one, been swept into the vortex of insolvency, instead of becoming, as they have become, eminent for all the qualities which constitute stability and impart confidence.

The experience of the "Guarantee Society" has, we believe, already enabled them to establish, for their own guidance, several important rules of classification, each rule depending upon some well-defined peculiarity, or some carefully observed fact. We believe, however, that few, if any, of the results of their experience are so well established and so amply illustrated as that which points to *the exercise of efficient supervision by the employer*, as by far the most effectual external check upon dishonesty. We say *external* check, because, when every precaution has been taken, if the man is at heart a rogue, he will, in spite of every obstacle and every warning, most probably incur disgrace. The *constant control and superintendence of employers*, in every case where money has to pass

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through the hands of a servant, cannot be too much insisted on, for the benefit of all parties. It ought to be especially observed that, on the occasion of periodical settlements of accounts, the actual amount of coin and bank-notes composing the balance in hand *should be produced and carefully examined.* There ought to be no false delicacy on this point. A man whose transactions are perfectly regular will be proud to adduce this additional evidence of his punctuality and trustworthiness; and to all persons acquainted with the rules of business, it will be obvious that there is no greater reflection upon a man's character in asking him to pay over the balance of his account, than in expecting him to produce any other description of voucher. The *cash* itself is only a voucher in a different form.

The effect of vigilant inspection, and the effect of *non*-vigilant inspection, have been strikingly illustrated in some of the offices connected with certain of the Law Courts in England and Ireland. In England, we regret to say, the check is very imperfect, and the defalcations have been frequent. In Ireland, the check is really efficient, and the losses have been perfectly insignificant.

For the present we have said sufficient to show what has been already done, and to indicate in some measure the present posture of this interesting and important experiment. We are particularly anxious to impress upon those who take an interest in Guarantee Insurance, that, in this early stage of its introduction, *much more harm than good may arise from hasty modifications and extensions of the principle.* We must, first of all, obtain by patience and observation a sufficiently broad basis of actual facts. This is the first and the indispensable preliminary to any new applications of the principle; if such applications are to be any thing better than experiments altogether new. It is more than probable that, in process of time, many of the ingenious schemes which are at present the offspring of pure speculation may be found quite consistent with facts. In the mean time, and considering the magnitude of the interests at stake, and the immense usefulness of the suretyship of a public company, we should not do our duty to our readers if we did not express the approbation with which we regard the steady and circumspect course pursued by the original Company in Birchin-lane, who, ten years ago, had the courage to enter upon the new pursuit.

At the conclusion of his pamphlet, Mr. Saunderson has been enabled to lay before his readers a series of practical suggestions, derived from the ten years' experience of the Society, the principles of which he has strove so much to develop and establish. These suggestions are intended to *prevent*, as far as possible, the occurrence of those lamentable defalcations, against the consequence of which, when they do occur, it is the business of the Guarantee Society to hold the employer harmless. As the actual results of the experience of such an institution, these suggestions are entitled to every attention. The space which this article has already occupied prevents our quoting them here, but we shall give them, with some further remarks on the subject of Guarantee Insurance, in our next number.

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AMERICAN SECURITIES IN ENGLAND.

From a London Correspondent of the N. Y. Journal of Commerce, June, 1850.

I FIND great difficulty in getting regular business prices of American stocks. There is no regular board of brokers at which they can be dealt in. Although occasionally dealt in by the members of the London Stock Exchange, yet it is very rare that the transactions are effected actually within the building. Price currents are merely nominal prices. Again, it rarely happens that more than one stock is in vogue at a time. When a new loan is effected, it takes the lead and keeps it, to the exclusion of the others, for many months. As soon as the price of United States six per cents was quoted at 103, the English ceased to buy; but then the French and Dutch came in and bought largely in the aggregate, though, as far as the Dutch were concerned, the orders, though many, were very small, say for 1,000 or 2,000 at a time. It is the Dutch orders which have caused the great demand for the coupon bonds of 1,000 each; and to such an extent do their whims carry them, that unless they can get that sort payable to bearer, without even a single indorsement, they will not make the purchase. Bonds for 1,000 each are salable the moment the letters are opened which contain them; but bonds of 2,000 and 3,000 and 5,000 are a dead letter, and can only be sold by special negotiation. Even certificates are most salable in amounts of 1,000 each. While the disturbances on the Continent continue, and therefore the largest purchases are from them, it will be wise for remitters to send no other than bonds of 1,000 each.

In Amsterdam there is the smallest market possible for United States Bonds, and in Paris none at all, and yet the London market is sustained by orders from these two cities. Nay, more, if these bonds are sent from London to either of these cities, the chances are ten to one they come back unsold. I can explain this strange anomaly.

The orders for United States Bonds come directly from parties who intend to become permanent holders; and hold them they certainly will, even though the price in London may be 120 per cent. The Bonds have not been bought by speculators with a view to take a profit as soon as a profit can be realized; they are bought for investments by parties who sold other investments to buy them with: merchants, having little spare capital, have not taken them: aristocrats in France with long names, and pedigrees as long as their purses, have bought United States Bonds for *safety;* and the steady investing Dutchmen, who will buy a *little* of every thing, have been, and are, and will be, the best customers for these Bonds. As these parties do not wish to resell, it follows that the Bourses of Paris and Amsterdam are almost ignorant of the existence of these Bonds, and certainly are ignorant of the amount held by their people. The French having bought them for safety, certainly will not, for the sake of the object they have in view, endanger that safety, by giving any information concerning their investment. Should the city of Paris become again the theatre of bloodshed, many of her citizens will fly to

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you with these bonds in their pockets, and it would not surprise me if some of the coupons are not presented until long overdue, the holders preferring to use them as a sort of Savings Bank, from which they can draw their accumulations at a moment's notice, though without compound interest.

The bankruptcy laws have been altered and modified, until they are perhaps as near perfection as any set of laws can be, and the administration of them and the working of them most excellent. As soon as any one becomes a bankrupt, and is thus fairly within their grasp, how he strains his energies to the utmost, not only to get what he can for the benefit of his creditors (formerly he tried to get it for himself), and in addition he tries by every means in his power to present a fair balance-sheet, and to facilitate the labors of his accountant, in the hope of obtaining a first-class certificate. Fallacious hope! the most he has done has been to avoid a third-class one; or perhaps his good conduct since his failure may have prevented his being kicked out of court, without one at all. Daily may be seen instances of the legal adviser of the bankrupt appealing to the mercy of the court, on the ground that, however reprehensible the conduct of the bankrupt may have been, still he has been all the court could wish since. Not many years ago, the first step a bankrupt usually took was to bolt; and if he took any account-books with him, he invariably destroyed them. Sometimes he destroyed himself. The harshest sentences of the court, of course excepting cases of downright dishonesty, are levelled against those persons who have not kept books regularly balanced up. It is held that no man, being a trader and giving credit, is at liberty to conduct his business without putting all his transactions on record, and keeping a regular set of books. If he can show that he has done so, half his difficulty in getting through the court is removed.

FRANCIS BAILY, THE BANKER.

SKETCH OF THE LIFE OF FRANCIS BAILY, THE EMINENT BANKER AND BROKER OF LONDON.

From the Supplement to the Penny Cyclopædia.

Francis Baily, the best friend of astronomy among the Englishmen of his day, and one of the most distinguished of its promoters, will be biographically known to posterity by a valuable memoir, read by Sir John Herschel to the Astronomical Society, in November, 1844. From this memoir, and the writer's personal knowledge of Mr. Baily, the following account is drawn up.

He was born April 28, 1774, at Newbury, in Berkshire; his father was a banker at that place. He had, of course, a liberal education, and is said to have shown an interest in pursuits of physical science at an early age; his attachment to these branches of knowledge was afterwards in-

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creased by an intimate acquaintance with Priestley. But a life of business was his own choice, and he accordingly served his time in the city of London. He then changed his views, and after travelling for about two years (1795–96) in the United States of America, and then residing some time at Newbury with his father, he went into business as a stockbroker, being taken into partnership by his father's friend, Mr. Whitmore; this was before 1802, and probably not long after his return from America. He soon began to be known to the public, and became as eminent in his business as afterwards in his scientific pursuits. In 1806 he wrote a pamphlet in defence of the stockbrokers against the city of London, and in 1814 he was appointed by the Committee of the Stock Exchange to get up the evidence against the perpetrators of the celebrated fraud of De Berenger (better known in connection with the name of Lord Cochrane), which he is said to have done in so masterly a manner that no more complete chain of evidence was ever offered to a court of justice. He published two reports on the subject, and another on the distribution of the money stopped.

It is the peculiar part of Mr. Baily's history, that, while actively engaged in business, in which he accumulated a large fortune, he gained a first-rate reputation in one species of mathematical application, and laid the foundation of another, to be completed after his retirement from the Stock Exchange, at the age of fifty-one. He had a good working knowledge of mathematics, in all the elementary branches, and an extensive acquaintance with English writers on the subject. He first published his "Tables for the Purchasing and Renewing of Leases" (1802, 1807, 1812, 8vo); next "The Doctrine of Interest and Annuities" (1808, 4to); then, "The Doctrine of Life Annuities and Assurances" (1810, 8vo); lastly, "Appendix to the Doctrine of Life Annuities and Assurances" (1813, 8vo). Also, "An Account of the several Life Assurance Companies" (1810, 1811, 8vo), which is an extract from the work on life assurance. The book on leases was very useful; that on interest was accompanied by a reprint of the best tables (those of Smart), and was the most complete exposition of the subject which had been given. The work on life annuities (translated into French by M. de Courcy in 1836) is still much sought after, and was exceedingly useful; it was the first in which algebra was systematically applied in a modern and symmetrical form to the whole of the subject; the first in which tables of greater vitality were allowed to compete with the Northampton Table; and the first in which an attempt (not so complete as the subsequent one of Mr. Milne) was made to represent cases of annuities, &c., by a distinct notation. The appendix arose out of the refusal of the Royal Society to print in the Philosophical Transactions the method of calculating annuities proposed by Mr. Barrett. This method, which is now very extensively adopted, and will, beyond a doubt, supersede all others, would probably have been lost if Mr. Baily had not thus preserved and given it to the world; in doing which he made some justly severe remarks on the Society which had thus endangered a capital improvement in commercial mathematics. The whole work used to sell for four and five times its original price when it became a second-hand book; and if the writer had published nothing but the writings al-

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ready enumerated, he might still have been cited as a remarkable instance of active and useful exertion during the hours of relaxation from a laborious occupation.

It was Mr. Baily's habit so methodically to commit to writing all he learnt, that his notes enabled him to publish the "Epitome of Universal History," 2 vols. 8vo, 1813, a short account of the political changes of the world, with dates attached, and valuable chronological tables at the end. He had previously (1812) published his "Chart of History," with an explanation; an extension of Priestley's Chart, which we cannot here minutely describe. In these researches he remarked the unsettled date of the eclipse of Thales, and made the calculations and wrote the paper in the Philosophical Transactions, described in ALYATTES, P. C. This was his first astronomical paper, and previously to his retirement from business he had published in the Philosophical Magazine and elsewhere a number of small tracts calling attention to different points of astronomical interest as they arose.

He retired from business in 1825, and shortly afterwards left his chambers in Gray's Inn for a detached house which he had bought, No. 37, Tavistock Place, which will always be remarkable as the building in which the repetition of the Cavendish experiment was performed. From this time till his death he was engaged with all the energy of his character in the promotion of astronomy. Between the ages of fifty-one and seventy, when most men in his circumstances would have been enjoying the leisure to which commercial men, above all others, are apt to look forward, he did the work of a lifetime. We can here only note a few heads, referring the reader for a full list of his writings, and for further details, to the memoir already cited.

He was (in 1820) one of the founders of the Astronomical Society, a body which has done as much for the promotion of its science as any one ever did in its first quarter of a century; and that so much can be said is mainly due to Mr. Baily, whose attention to its affairs was as constant and minute as if it had been a firm of which he was the chief clerk, with expectation of being taken into partnership. "Of his management of our society," says Mr. Sheepshanks, "it is difficult to speak so as to convey a correct idea. No assumption, no interference with other people, no martinet spirit (which seems almost natural to all good business men), but every thing carried on smoothly and correctly, and without bustle. He hit, better than any chairman I have ever seen, the mean between strictness and laxity, and while he kept every thing going in its proper channel, he also kept every body in good humor. This natural tact was a great gift; but there was another quality which I never saw in any one but him, and that was his readiness to give precedence and room to every one who wished to do any thing useful, and his equal readiness to supply every deficiency and to do the work of every body else. He was also the person who never was asleep and never forgot any thing, and who contrived, by his good humor, hospitality, and good sense, to keep every thing in train."

He was one of those who exerted themselves to produce a reformation and enlargement of the Nautical Almanac, and whose efforts did at last prevail upon the government to place it upon its present distinguished footing.

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In pendulum experiments he was among the foremost of those who investigated the newly observed effects of the air upon the instrument. When the expedition which set out under Captain Foster returned with the loss of its able commander, Mr. Baily reduced and digested his observations, which take up the whole of the seventh volume of the Astronomical Society's Memoirs.

He superintended the formation of the same society's standard scale, and wrote a full and valuable account (*Mem. Astron. Soc.*, Vol. IX.) of the history and present state of the subject, with details of the experiments. These were carried on in a committee-room of the House of Commons, the government scale, of which that of the society is a copy, being under the charge of the Speaker. As it happened, Mr. Baily's unremitting habits of business were the cause of the preservation of this copy; had the work lasted a few months more, as it would have done in most hands, the copy would have been destroyed with the original in the fire at the Houses of Parliament in 1834.

Of the repetition of the Cavendish experiment we have spoken elsewhere. Had that article not been written during his lifetime, we should have said much more on the determined honesty with which the experiments were carried on until the cause of the observed discordances was detected. A very large number of hours, which there is every reason to suppose underrated when it is called *twelve hundred*, was spent in the mere act of watching the movements of the torsion pendulum. The account of this experiment forms the fourteenth volume of the Memoirs of the Astronomical Society.

The Astronomical Society's catalogue of stars was the suggestion of Mr. Baily and Mr. Gompertz, and was superintended by Mr. Baily. Up to that time there had been no general consent as to the method of reducing the stars. Sir John Herschel says that this catalogue "put the astronomical world in possession of a power which may be said, without exaggeration, to have changed the face of sidereal astronomy."

Of the remarkable circumstances attending the publication of Mr. Baily's Life of Flamsteed (4to, 1835, with supplement in 1837), we have spoken elsewhere. To this work was annexed a new edition of Flamsteed's catalogue, with such a complete examination of the original observations as make it quite a new work. None but those who knew Mr. Baily well can have any idea of the confidence with which such an examination made by him is to be treated. He had already revised Mayer's and Lacaille's catalogues in the Astronomical Society's Memoirs, Volumes IV. and V.

He put the finishing hand to his revision of ancient catalogues in the thirteenth volume of the Memoirs of the Astronomical Society, which is entirely his own work, and printed at his own expense. It is the third complete *volume* (independently of the catalogue) which he contributed to these Transactions, with about fifteen memoirs inserted in other volumes, almost all the annual reports, and various addresses, notices, &c. It contains a new edition of Ptolemy's catalogue in Greek, with those of Ulugh Beigh, Tycho Brahé, Halley, and Hevelius. Mr. Baily was not a professed scholar, but he had quite knowledge enough to do for Ptolemy

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more than any scholar could have done. An astronomer might have restored Ptolemy's catalogue to what it ought to have been; a scholar might have made a judicious collation of existing editions: but the former alone would in many cases have undesignedly sacrificed the probable text to astronomical correctness; and the latter would have let pass many instances in which a corrupt text can be divested of astronomical impossibility and restored with the highest probability. Mr. Baily had every requisite; and experience, combined with methodical habit, had given him extraordinary resources. It will be long, we suspect, before the old catalogues can be properly cited from any other writer.

He suggested to the British Association the republication of the immense catalogue of Lalande, called the *Histoire Céleste*, combined with that of Lacaille; the two together containing fifty-seven thousand stars. He suggested to the same body the extension of the Astronomical Society's catalogue to ten thousand stars, accompanied by the coefficients of reduction. He superintended the construction of these tables and a portion of the printing, and he left the preface to the latter completely written. He had also undertaken the construction of the new standard scale, wanted by the government in consequence of the destruction of the old one.

This is a brief account of Mr. Baily's principal works; we cannot enter upon every one of the ninety heads under which all his writings, great and small, are given in the Memoir stated.

In June, 1841, while crossing Wellington Street, a man riding furiously to carry the news of some public event to an evening paper, threw him down, and he received a severe wound in the head. After lying for more than a fortnight in the greatest danger, he slowly recovered, and began to apply himself to the Cavendish experiment as usual. In the spring of 1844 an affection of the kidneys came on (not, it is supposed, to be traced to the accident), of which he died, August 30, 1844. His last public appearance was at Oxford, on the 2d of July, to which place he went with some difficulty to receive the honorary degree of Doctor of Civil Law. He was never married.

"To term Mr. Baily," says Sir John Herschel, "a man of brilliant genius or great invention, would in effect be doing him wrong. His talents *were* great, but rather solid and sober than brilliant, and such as seized their subject rather with a tenacious grasp than with a sudden pounce." This sentence, read as it was to an assembly which had had long experience of the qualities of its subject, was better understood than it can be by those who were not acquainted with him. He was in fact one of the most remarkable men we ever knew; and yet it is not easy to give a precise description of that which distinguished him from other men. Again, his biographer describes him as possessing "a calm the reverse of apathy, a moderation having nothing in common with indifference, a method diametrically opposed to routine." This sentence will look as if it had been written for the sake of the points; and yet there is an absolute truth about it which would have been sacrificed if it had simply been said that Mr. Baily was calm, moderate, and methodical. When the memoir which we have cited had been read, its hearers, well as they

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thought they had known their deceased president, were astonished to find how much they had underrated the enormous amount and collective value of his labors, until the mass was placed before them; they could vouch for the items, but had never rightly formed the sum total.

Mr. Baily's knowledge of his subject was great, and he never began to carry a plan into execution until he had sedulously examined his own views and those of others. His judgment was sound, and he really exercised it; he was one of the few men who ask advice to get the means of coming to a decision. But there was in his habits of execution something unique: to us it seems right to say that in this respect he was a genius of an uncommon order. Many persons thought he learnt this power in business; we are perfectly satisfied that he carried it to the Stock Exchange, and would have had it whatever walk of life he might have been thrown into. There was nothing like a retired accountant in his proceedings: instinct seemed to point out to him the proper mode of undertaking things to which he had never been accustomed. In a few days he could digest his plan, and begin to work upon its separate parts. Even when engaged in research, such as that required by his Life of Flamsteed, he was never to be found at a table loaded with materials for reference. To have painted his picture as literary men are sometimes represented, near a mass of folios and manuscripts, would have spoiled the likeness; there should have been a pen, a paper, a book. When engaged in discussion with his astronomical friends in his own house, which generally required the production of some fresh volume every ten minutes, the books fell into their places again almost of their own accord, and without any apparent interruption of the conversation. These little things were perfect emblems of the manner in which he arranged his studies; his mind was as ready for use as his bookcase. He was not distinguished, as far as we ever knew, for powerful memory, he never refused a visit on the plea of occupation, he seldom worked in an evening, and he was very much in society. Nevertheless his share of any work was always done before that of any one else. But with all this rapidity, the moment that any difficulty arose which required counsel, there was a suspension of operations without effort; and he could repeat the subject again and again, in private thought and discussion with his friends, from week to week and from month to month, as if he had been one of those slow and deliberative persons who never do any thing because they can never make up their minds precisely how it is to be done. In our opinion this was the greatest secret of his reputation; namely, that he could at pleasure, as occasion required, execute with impetuous zeal, or deliberate with more than coldness. It is no exaggeration to say that he did, in the last twenty years of his life, much more and better work than younger men of much greater original power have done in twice the time. And besides this, the admirable personal qualities to which we have already alluded, and which made it so easy to coöperate with him, led to his being able to make others do more than they could have done without him. His high moral worth added to his power; and all these together made him the most influential member of the astronomical world. He had, we suspect, a strong love of fame, though perfectly free from vanity; but the same

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judgment which marked his selection of other things appeared in his choice of means to secure a lasting reputation. That he has won it is certain; the history of the astronomy of the nineteenth century will be incomplete without an account of his labors. Those who are well acquainted with Delambre's history of the science will easily imagine how much that severe judge would have abated of his rigor, had there come before him such models of patient thought, all but impeccable accuracy, careful research, and well-chosen objects, as the writings of Francis Baily.

THE PROCESS OF GOLDBEATING.

From the Supplement to the Penny Cyclopædia of the "Society for the Diffusion of Useful Knowledge." Published by Charles Knight & Co. London. 1845.

THIS is a process whereby gold is brought to the state of very fine leaves, for use in various kinds of gilding. The remarkable ductility of gold — a quality possessed by it to a greater degree than by any other known substance — is here taken advantage of to the fullest extent, as a means of limiting the quantity of this costly material required in gilding. So far is the attenuation carried, that a hundred square inches of nearly pure gold can be purchased for about sixpence sterling.

It is by a combined process of rolling and hammering that the attenuation of the gold is produced. The metal is melted in a small crucible by the heat of a wind furnace; and is cast into an iron ingot-mould, so as to form an oblong flat bar about three quarters of an inch in width, and weighing two ounces; a little borax is used to facilitate the melting of the gold, and the ingot-mould is greased on the inside to prevent the adhesion of the gold to it. The ingot, when removed from the mould, is immersed in hot ashes, whereby the gold is both annealed and freed from grease. When cold, it is ready to undergo the process of reduction in thickness, and proportionate extension in length and breadth. Formerly, in France, the ingot was beaten out to the state of a thin riband, by the use of a forging hammer of about three pounds' weight; but the French goldbeaters now carry this hammering only to such an extent as to reduce the ingot to the state of a plate about one sixth of an inch in thickness, and then finish by the use of the "rolling," "flatting," or "laminating" mill. In England this forging is dispensed with, and the reduction of the gold to the state of a riband is effected by means of the mill. This mill consists of two rollers made of polished steel, perfectly cylindrical in form, and adjusted with very great nicety; it must so act as to reduce the gold equally in every part, or else the further thinning could not be properly carried on. The milling is carried on until the ingot of two ounces is spread out to a surface of 960 square inches, with a thickness of rather more than 1-800th of an inch.

This thin riband of gold is then consigned to the hands of the goldbeater. The hammering does not take place on the gold itself; but thin membranes are interposed between the hammer and the gold. These

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membranes are of three kinds; an outside covering of common parchment; a set of leaves made of very fine and smooth calf-skin vellum; and another set made of goldbeaters'-skin as described in a former article. The riband of gold is cut up into small pieces, each measuring exactly an inch square; and a hundred and fifty of these are interleaved with an equal number of leaves of vellum, about four inches square; each piece of gold being placed on the middle of a leaf of vellum. Over this packet of vellum-leaves is drawn a parchment case, open at both ends; and over this another parchment case in the opposite direction; so that the vellum and gold are inclosed tightly on all sides. The entire packet thus prepared is beaten. This beating is effected on a smooth block of marble, strongly embedded beneath, and bounded on three sides by a raised ledge of oak wood; the front edge is open, and has a leathern flap attached to it, which serves as a kind of apron for catching fragments of gold that may fall off in the subsequent operations. The hammers employed are very ponderous, weighing about sixteen, twelve, and ten pounds respectively; the heaviest is used first, and the others are brought into use as the gold becomes thinner.

The packet of vellum and gold is laid on the stone, and the workman beats, with regular and heavy blows, on the middle of the upper side; there is a spring or elasticity of the packet which enables the hammer to rise easily after each blow; otherwise the work would be too laborious for any man continuously. The beater turns the packet over from time to time, to equalize the action among the leaves; and he occasionally bends the packet to and fro, to destroy any slight adhesion between the gold and the vellum; he also opens the packet at intervals, to see how the operation is proceeding. The beating is continued until each little inch-square piece of gold has become expanded nearly to the size of the vellum-leaves; and in order that the whole of the hundred and fifty pieces may be equally acted on, the packet is occasionally opened, and the inner pieces placed near the outside, to receive more action from the hammer.

When this degree of attenuation has been attained, the use of the vellum-leaves ceases, and that of the goldbeaters'-skin commences. The packet is opened, and each piece of gold, being taken out and placed on a kind of cushion, is cut into four pieces with a knife.

The pieces of gold, now increased in number from a hundred and fifty to six hundred, are interleaved with an equal number of pieces of the prepared goldbeaters'-skin. The packet thus prepared is inclosed in parchment, and beaten in the same way as before, but with a smaller hammer. The pieces of gold become by degrees expanded, until they attain nearly the size of the skin-leaves. The packet is again opened, the leaves of gold are again cut into four each, and the quarters are again interleaved with goldbeaters'-skin. The cutting is, in this second instance, effected by the smooth edge of a strip of cane, since the thin gold would be liable to adhere to a steel knife. As the pieces of gold, now 2,400 in number, would be too numerous to be beaten in one packet, they are divided into three parcels of 800 each, and each packet is interleaved with goldbeaters'-skin, enveloped in parchment, and beaten in the same

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way as before. A third time these leaves expand nearly to the size of the skin-leaves; and by this expansion the necessary degree of thinness is attained. By the three beatings and the two quarterings, the gold is expanded to an area about 190 times greater than it presented when in the form of a riband. The attenuation may be rendered more intelligible by stating that 100 square feet of the leaf-gold weigh no more than an ounce, — a result nearly as surprising as any thing presented in the mechanical arts. Gold can be beaten to a much greater degree of thinness than that ordinarily used; but the waste occasioned by broken leaves, and the additional nicety and labor required, more than counterbalance the advantages.

When the last beating is finished, the packet is opened, and the thin leaves of gold removed one by one. The gold-beater makes use of a delicate pair of long pincers, made of white wood, and takes up the fragile leaves of gold one by one. Each leaf is laid down on a cushion, and blown out flat by the breath of the workman; if any of them have been broken or injured in the beating, they are thrown aside, to be remelted for future use; but otherwise each leaf has the ragged edges cut from it, so as to bring it to the size of about three inches and a quarter square. Small books are prepared, each book containing twenty-six leaves of paper about four inches square; both surfaces of every leaf are rubbed with red chalk, to prevent the adhesion of the gold; and twenty-five leaves of gold are placed in each book. In this form the leaf-gold is sold.

The French adopt the same general mode of proceeding as the English goldbeaters, but vary it slightly in detail. The laminated riband is cut into pieces an inch and a half long by an inch wide, and about 1-24th of an inch thick. Twenty-four of these are laid one on another, on a smooth slab of steel, and hammered until they are two inches square. Fifty-six of those expanded leaves are made up into a packet, with two leaves of vellum between each. This packet is inclosed in a sheath, and is beaten with a hammer in the same way as in England. Indeed, the hammering and quartering, and the use first of vellum and then of goldbeaters'-skin, are the same in most of their features as those already described; but the French gold requires more hammering, on account of the greater weight and size of the pieces at the commencement of the beating.

Two other metals, silver and copper, have sufficient ductility to be brought into the state of thin leaves by hammering; and both are used to a limited extent in this state in the arts. But these metals would fracture long before such a degree of thinness could be obtained as in the case of gold; and, indeed, the smaller value of the material renders it less important to economize material in this way; consequently leaf silver and copper are thicker than leaf-gold.

The preparation of the delicate membrane known by the name of "goldbeaters'-skin" forms part of an exceedingly dirty and disagreeable class of manufactures called by the French "boyauderie," from the word "boyau," intestine. The strings for violins, harps, and guitars, goldbeaters'-skin, and some other valuable articles of a membranous character, are made from the intestines of animals, — not (except in a few cases) from the whole thickness of the intestine, but from a very thin membrane which covers it.

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SELECTIONS FROM FOREIGN PERIODICALS.

The Uses of History. — Occupations of the People. — Taxes on the Necessaries of Life. — Commerce. — The Industrial Exhibition of 1851. — The Anglo-Saxon Race. — Railway Progress. — Anticipated Speed. — Light Rails vs. Heavy Rails. — Resistance of Iron. — Railway Profits. — Individual Enterprise. — Competition. — Pure Water for the People. — Sources of Disease. — Merchants and Bankers. — The French Republic. — The Complaints of Ireland. — Comparative Mortality. — Public Debt and Taxation. — Home Production. — India Cotton Goods. — Domestic Manufactures. — The Fallacies of Free-Trade. — Value of the Home Market.

THE USES OF HISTORY. — Nothing is more important in history, and yet in all but the very highest historical works nothing is more rare, than to apprehend clearly the great landmarks of successive epochs, and the leading characteristics of thought and feeling by which particular nations and particular generations are swayed; to know what especial marks divide man from man, fact from fact, age from age; to distinguish the different degrees of comparison (if we may so speak) in the significance or insignificance of the events which may come before us. Many other tasks, doubtless, are proposed to an historian; but this, we think, is, if not the first, at least one of the first, as it is certainly one of the most arduous. And this has been achieved, in no ordinary degree, by Mr. Grote. From the most general laws of thought to the most minute incidents, he has labored — and successfully labored — to reproduce the impression which they made upon the mind of the Greek people. We do not deny that his strong political bias has led him to bring out the practical and social aspect of Grecian life in disproportion to its moral and imaginative side; and that occasionally — perhaps often — we may vainly seek in his work for the elucidation both of facts and ideas which we feel to be necessary to the full explanation of the Grecian character and history. But they must be ungrateful students who will overlook the importance of what has been done for them, in consideration of what may possibly yet remain undone. — *London Quarterly Review*, 1850.

OCCUPATIONS OF THE PEOPLE. — Mr. W. F. Spackman, in his elaborate work on "The Occupations of the People," gives the following estimate as an approximation to a correct statement of the annual "creation" of wealth in the United Kingdom: —

Agriculture,	£250,000,000
Manufactures (deducting the value of the raw material),	127,000,000
Mining interest,	37,000,000
Colonial interest,	18,000,000
Foreign commerce, including the shipping interest, 10 per cent. on the amount of our exports and imports,	15,000,000
Fisheries,	3,000,000
	£450,000,000

Mr. Porter estimates (or did estimate some two or three years ago) the annual value of the produce of the land of the United Kingdom at up-

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wards of three hundred millions. As to the gross value of manufactured productions, Mr. Spackman estimates it at £187,184,292, of which £118,600,000 are for the home trade, and £58,584,292 for the foreign trade. His general conclusion is, that, of the products of manufacturing industry, the foreign trade absorbs *one* third, and the home trade *two* thirds. It is probable that foreign writers may have been misled by looking too exclusively at our cotton manufacture. Of the products of that particular branch of industry the larger portion *is* exported. It is calculated that the home consumption is to the export consumption as 20 to 25. — *London Quarterly Review.*

Taxes on the Necessaries of Life. — It is curious to observe how very largely the revenue of Great Britain depends on what goes into the mouth. In the printed list of Excise Duties, we have malt, hops, spirits, licenses to sell beer, and spirits and wine, producing an aggregate of upwards of twelve millions. Let us add a selection from the Customs Duties.

	Gross Receipt.		
Butter,	£138,406	Rice,	£15,207
Cheese,	97,686	Spices,	112,825
Cocoa,	16,644	Spirits,	1,803,527
Coffee,	643,210	Sugar,	3,855,928
Corn and Meal,	617,814	Refined Sugar,	68,328
Eggs,	35,694	Molasses,	214,695
Fruits,	582,906	Tea,	5,471,641
Hams,	3,284		

These make not far short of fourteen millions more; and if to these we add tobacco, which Sir James Graham classes with beer and spirits, as the stimulants of the people, we have another sum of nearly four and a half millions. The gross receipt of duty in 1849 was, —

Unmanufactured tobacco,	£4,328,217
Manufactured tobacco and snuff,	96,814

We have now a total of between thirty and thirty-one millions of money derived from taxation of the various articles which the mass of the people eat, drink, or smoke. Were the duties levied upon wine included in this summary, the amount would be increased by £1,835,071, but foreign wines are consumed only by the comparatively rich. The duty of between thirty and thirty-one millions is levied upon articles of universal consumption in England. All but a mere fraction of this may be in some sort regarded as voluntary taxation, so far as the consumers are concerned. The "stimulants" might be done without. We have, however, no wish that they should be. We should be glad to see the moderate and prudent consumption of them more general; but it may at the same time be affirmed that the government will never have fully discharged its duties to society till the most stringent measures are resorted to for checking the vice of drunkenness which is the parent of almost every other vice among the lower classes of the people. — *London Quarterly Review.*

Commerce. — Commerce and its appliances are the right arm of the true Lords of Progress, carrying forward humanity to its haven of rest.

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Deep is our respect for all belonging to it. Even when its instincts become morbid, and love of gain degenerates into love of plunder, still do we think how much more graceful is Hermes, the God of Thieves, than is Ares, the God of Slaughter. The adroit swindler is less abhorrent than the reiver baron, — the levier of "black-mail," the crusher of the weak, the brute spoiler of the industrious. And in the increasing light of knowledge, greater every day becomes the tendency to honesty; for in the long run, roguery is rarely prosperous. The buccaneers of commerce somehow do not succeed. A general mark is gradually set on them, and the sphere of their transactions is narrowed. They must gradually disappear, as the wild red deer and the wilder red Indian disappear before the footstep of the half-civilized white man.

As the wind carries winged seeds over the earth, so commerce carries arts, and civilization, and humanity as a consequence, and not with purpose aforethought. The merchant-prince who freights his ship from the docks of London calculates only his pecuniary gain. He heeds not the printed knowledge, the labor-saving tools and machines, the works of art, the good ship may bear in her entrails, — all seeds of wide-spreading good, as by converse the horse of Sinon was pregnant with destruction, fire, famine, and slaughter to Troy. Nor does the world at large recognize the practical fact, how much work and labor are bestowed by England in clothing a large portion of the human race. It is selfish interest, say they, and we must prevent them by all means in our power, — by custom-houses and tariffs; for while clothing us and providing us with tools and machines, they are robbing us. It may be selfish interest; but, fortunately for human progress, all selfish interest is ultimately based in universal interest. The earliest merchant travellers carrying goods with them for sale are the Phœnicians. They helped to civilize — more than the warriors — this our England. How and by what processes, by what gradual changes, these buyers of tin have given eventual birth to the thirty thousand commercial travellers who overrun the British Isles, were too large a task to set forth. — *Westminster Review*, 1850.

The Industrial Exhibition of London in 1851. — The grand objects of the Exhibition, as we regard them, may thus be summed up: —

1. To promote brotherhood amongst mankind.
2. To make all cognizant of what each can do for others.
3. To diminish human drudgery by mechanism.
4. To promote art of the higher kind.
5. To show how clothing may best be made by machines, without handicraftry.
6. New preparations of human food.

And among the latter, if there are to be prizes, let a prize be given to him who shall so improve upon the qualities of a vegetable diet, as to enable us to dispense with the use of animals as food; a discovery which we believe to be quite within the reach of human faculties. To attain it, and give to vegetable food the same power of satisfying the appetite and pleasing the palate as animal food, we have but to study the art of concentrating nutritious substances into a form similar to that of muscular

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fibre; the art of combining properties such as those of the olive and mushroom, and of producing other flavors than those which have hitherto been attempted by M. Soyer. The subject is one which fairly comes within the scope of an Industrial Exhibition, to which the public are invited to send chemical contributions; and whatever may be its novelty to some, its importance to the future interests, both moral and physical, of human society, cannot be doubted. — *Ibid.*

The Anglo-Saxon Race. — In glancing at these leading characteristics of the various states of Central America, the reader will speedily have arrived at the conclusion, that, in the hands of Anglo-Saxon settlers, they would long ere this have ranked amongst the most beautiful and prosperous portions of the earth. But until now there has been work for the race in higher latitudes, and it will be from the present year that their rise will date. The nature and rapidity of that rise will, we believe, be such as has never yet been witnessed in any analogous case. Emigration from the United Kingdom has hitherto been confined to swarms of the poor, going out to fight the battle of life in untilled solitudes, where they might best enter upon it with unburdened limbs; and although their progress has been wonderful, and they have caused cities and states to rise up as if by magic, there have still been rough elements in the whole proceeding which have left room for us to contemplate the possibility, under more favorable circumstances, of an equally rapid progress, coupled with a far higher and finer civilization. All separation of classes is bad, and the true system of emigration, where the temptations for it exist, is that where the rich and the poor, the educated and the uneducated, go together. But the rich and intelligent will go only from choice, and they demand as inducements a brighter sky, a more genial climate, and facilities of communication. New Zealand, from its possession of the first two recommendations, has already attracted many, but its distance and solitariness are fatal objections. Central America promises to fulfil every required condition. In a short time the active spirits from New York and Boston, who are even now infusing new life and hope into Jamaica, from merely calling at that island in their way, and stirring up its inhabitants to the resources at their feet, over which they have hitherto blindly moped, will have displaced the spirit of anarchy by that of enterprise. There will then be abundant work for the laborer, and temptations for all classes, even to the highest. The merchant can seek no broader field than one where he can deal with the meeting commerce of two worlds, together with every variety of teeming produce at his own door. The agriculturist, the fisherman, the miner, and the engineer will likewise find greater stimulants and rewards than can be met elsewhere. The artist will be incited by scenery which in its condensed grandeur and prolific beauty, from the mountain Ysalco in Salvador, which burns incessantly as a natural lighthouse on the Pacific, to the frosty table-lands of Guatemala, combines, like the soil and the climate of the country, every feature that is otherwise only to be witnessed by extended wanderings. The naturalist, the geologist, the astronomer, and the antiquarian will here also have a new range; and the man of so-called leisure, who in his way unites the pursuits of all, will proportionably find the means of universal gratification.

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And in the narrow confines which hold these advantages the people of every land and government are destined to meet on common terms. The Russian from Behring's Straits, the Chinaman, the African from Jamaica, the New Zealand sailor, the Dutchman from Java, and the Malay from Singapore, will mingle with the Mestizos and Indians of the country, and each contribute some peculiar influence, which will be controlled and tempered to the exaltation of the whole by the predominant qualities of the American, the Englishman, and the Spaniard. Is it too much to suppose, that under these circumstances a people may arise, whose influence upon human progress will be of a more harmonious, and consequently of a more powerful, kind than has yet been told of? — that, starting at the birth of free-trade, and being themselves indebted to a universal commerce for their existence, they will constitute the first community amongst whom restrictions will be altogether unknown; that, guaranteed in their independence by Great Britain and the United States, and deriving their political inspirations from a race amongst whom self-government is an instinct, they will practically carry out the peace doctrines to which older nations are only as yet wistfully approaching; that, aided and strengthened by the confiding presence of people of every creed, the spirit of Christian toleration will shine over all, and win all by the practical manifestation of its real nature; and finally, that the union of freedom, wisdom, and toleration may find its happiest results in the code of internal laws they may adopt, so that amongst them, on the luxuriant land hitherto made desolate by the sole principle of bloody retaliation, the revengeful taking of human life may never be known; and that they may be the first to solve the problem — if amongst those who profess Christ's doctrines it can be called a problem — of coupling the good and reformation of the offender with the improvement and safety of society, and the exercise towards both, not of a sentimental, but of a philosophical and all-pervading love? — *Ibid.*

Duties to the Masses. — Turn we, then, to the People, — to the masses, — the simple, the unsophisticated, the courageous, the energetic, the hard-headed, hard-handed, unstuffed, unemasculated masses! We invite them to undertake for themselves what their appointed and well-paid teachers have failed to do for them. We invite them to form themselves into "Mutual Improvement Societies" throughout the length and breadth of the land; to investigate for themselves the causes of well-being: to convince themselves what they *ought* to do in order to attain well-being; and to train themselves to the doing of what they shall have convinced themselves they ought to do. Let them only be careful to employ their time and thoughts so as to get to the bottom of what they undertake to learn; to reason into, and not to shuffle through, the great social lessons which will naturally form the principal subjects of their study; to inquire, observe, and question, and finally to acquire convictions; and not to talk at and about and around, or listlessly to listen and repeat, and end by gaining no convictions. Let them, besides, rear up and pour forth from among themselves the schoolmasters and mistresses of their own children, — masters and mistresses who, free from the fetters of narrow and sectarian influences, shall so educate the children com-

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mitted to their charge as to cause them to grow up useful and happy men and women. The pecuniary outlay for these two purposes need not be large. The same building will serve for a school-room for the children in the morning, and for the adult "Mutual Improvement Society" in the evening. — *Ibid.*

Poverty and Civilization. — The farther we go into the mire of poverty, which we have undertaken to explore, the more painful are the facts dragged to light. The daily reports of our correspondent possess the bewildering interest of a fairy-tale. *It seems impossible that such things can have existed so long unnoticed in the very heart of rich, generous, and Christian England.* It is, in bitter truth, the idol of brass with crumbling feet of clay that we have been worshipping, when bowing before the image of our own greatness; and the condition of the poor startles us from our dream of "progress," as the skeleton of Egyptian banquets startled the guests from theirs of pleasure. Some of us dwell in stately houses, filled to excess with every luxury, every pretty fancy, every elegance, every beauty; fortunes are expended in ornaments alone, and the soft carpets, the heavy curtains, the beds of down, the marble, gold, and glass, are but items of a magnificence unsurpassed by Rome, or Babylon, or any of the most luxurious cities of past ages. Every country brings us gifts, every science enhances our pleasures; art is our footstool, and wealth enlists all the powers of nature into our service. But when, from these abodes of luxury, we look abroad to the homes of the poor, we are constrained to ask ourselves, in shame and sorrow, — "Are these the fruits of our boasted civilization?" — *Morning Chronicle, 17th November*, 1849.

Individual Enterprise. — Competition. — The English, more than any nation of ancient or modern times, have adhered to the rule of carrying on their great undertakings upon the principle of trade, trusting to the boundless energy of private enterprise. Our lighthouses, our national bank, and our Indian empire show the singular power and flexibility of this principle; but they also show the circumstances in which it fails, and by which the mere trading company is converted virtually into a department of the government. Whenever a government has attempted to direct commercial enterprise and enter into a fair competition for its rewards, it has failed. On the other hand, whenever competition has been destroyed, and a practical monopoly established, the quickening impulse of the commercial principle seems to die away, and, in one form or other, government control takes its place. There can be no competition in lighting the seas; and, lighthouses having in fact ceased to be private speculations, the Trinity Board is virtually under the control of the government. The Bank of England only retains its exclusive privileges because it acknowledges its duties to the public to be paramount even to the interests of its shareholders, and by a judicious deference to the wishes of the Executive. The trade with India has passed into private hands, and the empire which our merchants won is ruled by a responsible minister. Wherever the principle of trade fails or ends in monopoly, or wherever the discharge of a public duty is superadded to and supersedes the pur-

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suit of private profit, the English people will trust none but a responsible body. A tendency to combination, in order to extinguish competition, is inseparable from that class of enterprises in which the amount of receipts is measured by the requirements of a specific locality, and where a large capital is necessarily sunk irrecoverably in the first instance. Competition between coaches, where the primary outlay is but small, may arise and die, and arise again perpetually; but between water companies, gas companies, or railways, whatever turns the scale at all will turn the whole trade. So that the struggle is for life or death, and no sacrifice is too great to crush a rival utterly. The consequence is, as Mr. Stephenson tersely expressed it, where combination is possible, competition is impossible. — *Edinburgh Review*, 1850.

The Appian Way. — Appius Claudius — who, about three hundred years before the Christian era, was censor and afterwards consul of Rome — was one of those remarkable men who impress on their age the stamp of their own minds. Greedy of power, and unscrupulous in the mode of acquiring it, he yet wielded it as became a statesman of the true Roman type. A fearless political reformer, he extended the franchise, and introduced into the Senate — until then a purely patrician assembly — a number of the sons of freedmen, hitherto despised by those haughty nobles as the sons of nobody. As clear-sighted in his administrative and sanitary, as he was bold in his political, measures, he constructed the famous Appian Way, from Rome to Capua, and the still more famous Appian Aqueduct, which brought water, from a distance of eight miles, for the poor citizens who had hitherto used the water of the Tiber, and inhabited the low district of the Circus, — the Bermondsey of Rome. It was said at the time, that these undertakings exhausted the revenues of the city; but the statesman knew that in such works lie the secret springs of national wealth. The rising tide of prosperity soon replenished the treasury; and the unbounded ambition of Appius Claudius, though neither forgotten nor forgiven, will never be so favorably judged of, as when we read that by his exertions Rome was supplied with water, and when we find the historian, scorning our favorite principle of trade, emphatically calling upon his readers to remark that the first aqueduct of Rome was built for the benefit of the *poor*. — *Ibid.*

Pure Water for the People. — It may be fancy, but it seems to us that a cycle of above two thousand years has brought round, in Great Britain, a train of somewhat analogous circumstances. We, too, have seen the leaders of the people force their way to official power, extend the franchise, and invigorate our too patrician legislative assembly with a portion of the more popular element. More fortunate than the Roman consul, we have seen the reform withstand conservative reaction, and, like a breakwater, guard the edifice of our monarchy from the flood of anarchy and communism which deluged Europe and broke over the continental thrones. We have seen a network of five thousand miles of iron roads spread over our islands, with an expenditure of labor, science, and money, which makes even Roman roads seem but the playthings of children. These, too, are said to have exhausted our resources; but they

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are a storehouse of national wealth. We trust that some of our statesmen will complete the parallel; and that they who have won a name in history as political reformers, and struck the last fetters from our commercial system, will, like unto Appius Claudius, except in his ambition, achieve the higher glory of bringing health and cleanliness to the dwellings of the poor.

This is the true glory which outlives all other, and shines with undying lustre from generation to generation, — imparting to its works something of its own immortality, and, in some degree, rescuing them from that ruin which overtakes the ordinary monuments of historical tradition or mere magnificence. The tomb of Moses is unknown; but the traveller slakes his thirst at the well of Jacob. The gorgeous palace of the wisest and wealthiest of monarchs, with its cedar, and gold, and ivory, — even the great temple of Jerusalem, hallowed by the visible glory of the Deity himself, — are gone; but Solomon's reservoirs are as perfect as ever. Of the ancient architecture of the Holy City not one stone is left upon another; but the Pool of Bethesda commands the pilgrim's reverence at the present day. The columns of Persepolis are mouldering into dust; but its cisterns and aqueducts remain to challenge our admiration. The Golden House of Nero is a mass of ruins; but the Aqua Claudia still pours into Rome its limpid stream. The Temple of the Sun at Tadmor in the wilderness has fallen; but its fountain sparkles as freshly in his rays as when thousands of worshippers thronged the lofty colonnades. It may be that London will share the fate of Babylon, and nothing be left to mark its site save confused mounds of crumbling brickwork. But the works of Nature are imperishable. The Thames will continue to flow as it does now. And if any work of art should still rise over the deep ocean of Time, we may well believe that it will be neither a palace nor a temple, but some vast aqueduct or reservoir: and if any name should still flash through the mist of antiquity, it will probably be that of the man who, in his day, sought the happiness of his fellow-men rather than their glory, and linked his memory to some great work of national utility and benevolence. — *Ibid.*

Sources of Disease. — But there are higher principles of action than our riches or our health. We have already said, that this is quite as much a question of public morals. An eyewitness, speaking in September, 1849, says that in Bermondsey there is an open sewer into which all the house-drains go. Houses are built over it, and it receives all the filth from them: the liquid puddle is of the color of strong green tea. And this is what the inhabitants *drink!* Unable at first to credit the evidence of his senses, he questioned the people. They said "they were obliged to drink the ditch without they could beg or thieve a pailful of water"; and a wretched mother added, "Neither I nor my children know what health is; but what can we do? — we must live where our bread is." We would seriously ask how much longer these things are to go on in a Christian city, and what greater proof we need of the insufficiency of the principle of trade. Can we wonder that these people fly to the pothouse to quench their thirst? that, when they are thus led into temptation, intemperance works their degradation and becomes their curse? or that

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they have small respect for the legislation which is blind to the wants of the poor, but Argus-eyed to protect the speculations of the rich? — *Ibid.*

Merchants and Bankers. — The complicated causes which influence foreign commerce, the principles which govern our banking system, — all that pertains to the creation and distribution of wealth, — are brought more immediately under the notice of the British merchant, and stimulate his acquisition of knowledge. The sphere of the farmer is far more limited; his duties are necessarily more confined, and less varied. His hands may be more laborious, but his mind is less active. Hence also it is that we find among our mercantile, rather than among our agricultural classes, the men who have contributed the most to the enlargement of our intellectual capital. The Greshams and the Childs of our earlier history have had eminent representatives in latter times. Of the distinguished class to which we allude, perhaps the late Henry Thornton may be taken as the brightest example. Wise and practical in his professional pursuits, he combined with these a knowledge and industry which enabled him, as an author, to explain and recommend many important principles of economical science, and, as a member of the legislature, to defend and apply them. His character was completed by the most active benevolence and the most exalted Christian principles. Mr. Henry Thornton's life still remains to be written; and his tracts should be collected and republished, for the instruction and the example of his countrymen. The late Mr. Ricardo also made the counting-house and the Stock Exchange tributary to his philosophical inquiries; adding to our knowledge by his valuable works, and displaying likewise a rare faculty of explaining abstract truths with clearness and precision, to a reluctant audience, whose understandings he must often have convinced, even when he might fail to influence their votes. Mr. Tooke, to whom we owe the memorable petition from the bankers and merchants of London, has compiled, and illustrated in his "History of Prices," a series of facts for the guidance, not only of his contemporaries, but of all future generations. Lord Overstone, better known to our readers as Mr. Jones Loyd, is another striking example. His pamphlets on the Currency founded a school, and laid the basis of Sir Robert Peel's Banking Act of 1844. Without pausing to examine whether this theory is in all respects sound, it is admitted by all parties that the power with which the theory was recommended by its author was of a very high order; and to those who are familiar with the eloquence with which Lord Overstone can discuss and explain questions of economical science, it is undoubtedly a source of high gratification that his eminent abilities are, by the judicious favor of his sovereign, raised to a sphere where he will be enabled to add to the obligations he has already conferred upon the public. — *Ibid.*

The French Republic. — In January, 1848, to ordinary eyes, the Orleans dynasty appeared to be firmly established. Its chief had spent a long life in constant struggle and constant success. He had able ministers, a strong Parliamentary majority, an increasing revenue of above sixty millions sterling, and a well-disciplined army of nearly 400,000 men, of whom 40,000 occupied Paris and the chain of fortresses (impreg-

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nable except by long siege) which surround the city. Nearly fifty years had passed since France gave up in disgust her republican experiment, and she was enjoying, under the mild rule of a descendant from her ancient monarchs, an amount of prosperity such as she had never before possessed or could reasonably have expected. Yet, in the midst of this apparent calm, M. de Tocqueville saw the coming storm. "Est-ce que vous ne ressentez pas," said he, on the 27th of January, 1848, "que le sol tremble de nouveau en Europe? Est-ce que vous ne sentez pas — que dirai-je? un vent de révolutions qui est dans l'air? Est-ce que vous avez, à l'heure où nous sommes, la certitude d'un lendemain? Est-ce que vous savez ce qui peut arriver en France d'ici à un an, à un mois, à un jour peut-être? Vous l'ignorez; mais ce que vous savez, c'est que la tempête est à l'horizon, c'est qu'elle marche sur vous." — *Ibid.*

The Complaints of Ireland. — The wretchedness of Ireland is generally attributed to the misgovernment of England; and this is certainly the ultimate, but not the immediate cause. From the Union, — that is to say, during all the time that is recollected by the present generation, — Ireland has enjoyed a pure administration of justice, local self-government, free institutions, and the lightest taxation in Europe. England has wasted and is wasting her treasures in her defence, in the support and education of her people, and in unrepaid loans for her improvement. She has been the spoilt child of the empire. But the insolent injustice with which we have treated, and continue to treat, her religion, has led the bulk of the people to withdraw their confidence from the government, and from all connected with the government, and to trust blindly to their own priests and demagogues. Under such influence they have been engaged in a chronic conspiracy against the law and its administrators. Neither persons nor property have been safe. Agrarian outrage has rendered agricultural improvement impossible; the atrocities committed by the trades-unions have driven away manufactures; capital, credit, and commerce have disappeared. The landlord has emigrated and been replaced by the agent; the manufacturer has established himself in a safer country; the merchant has followed his customers. Blindly obeying the orders of those whom they have put in authority over them, this unhappy people has wasted in agitation and outrage the energy which might have made Clare and Tipperary as prosperous as Down or Antrim. When we see such consequences flow from obedience to ill-chosen guides in our own islands, — when we see the misery which, within the last two years, the people of Italy, Germany, and France have been induced by a few thousand ruffians and fanatics to inflict and to suffer, — we are inclined to prefer the ignorance of the self-relying Arab to the slavish subservience with which the mass of the population of some of the most civilized portions of Europe submit to the authority of their leaders. — *Ibid.*

Comparative Mortality. — The rate of mortality in the east of London is double that in the west. To persons accustomed to the study of medical statistics, this simple statement would be sufficient; they would at once see the depth of misery which it indicates. But to others we must place it in a more familiar light. Out of every two persons who die

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in the east of London, one perishes from preventible causes. From twenty to thirty thousand of the laboring population of London are killed every year by causes which, if we chose, we might expel by a current of water. Though we do not take these persons out of their houses and murder them, we do the same thing in effect, — we neglect them in their poisonous homes, and leave them there to a lingering, but a certain death. — *Ibid.*

Public Debt and Taxation. — Mr. Norman's comparison between the financial condition of England and of other foreign powers is slight and inconclusive; resting mainly, and (except in relation to the United States) almost exclusively, on Mr. Porter's valuable statistics in the "Progress of the Nation." The following table, though formed on a principle which we have already condemned, is however of interest; and may indeed enable our readers to pursue the matter further, and to collect better data for their guidance. — *Ibid.*

	Population.	Revenue.	Charge for Public Debt.	Charge for Army, &c.	Taxation per head.	Taxation per head exclusive of Debt.
		£	£	£	s. d.	s. d.
Austria,	35,800,000	15,154,000	6,700,000	5,000,000	8 6	5 0
Bavaria,	4,500,000	3,173,000	874,000	731,000	14 1	10 2
Belgium,	4,335,000	4,704,000	1,272,000	1,597,000	21 8	15 10
Spain,	12,386,000	12,577,000	1,269,000	3,633,000	20 0	18 3
France,	35,400,000	54,293,000	15,143,000	17,768,000	29 7	22 1
Portugal,	3,745,000	2,968,000	868,000	908,000	15 10	11 2
Holland,	8,200,000	5,964,000	3,027,000	972,000	37 3	18 4
Prussia,	16,000,000	9,905,000	1,404,000	3,865,000	12 4	10 7
Russia,	54,000,000	20,000,000				
United States,	20,000,000	9,959,000	723,000	8,600,000	10 0	9 3

Home Production. — The capital which is employed in purchasing in one part of the country in order to sell in another the produce of the industry of that country, generally replaces by every such operation two distinct capitals. The capital which sends Scotch manufactures to London, and brings back English corn and manufactures to Edinburgh, necessarily replaces by every such operation two *British* capitals, which had both been employed in the agriculture or manufactures of *Great Britain.* The capital which is employed in purchasing foreign goods for home consumption, when this purchase is made with the produce of domestic industry, replaces likewise, by every such operation, two distinct capitals; *but one of them only is employed in supporting domestic industry.* The capital which sends British goods to Portugal, and brings back Portuguese goods to Great Britain, replaces by every such operation only one British capital, — *the other is a Portuguese one.* Though, therefore, the returns of the foreign trade should be as quick as those of the home trade, the capital employed in it will give but half the encouragement to the industry or productive labor of the country. But the returns of the foreign trade are very seldom so quick as those of the home trade. A capital employed in the home trade will sometimes make twelve operations, or be sent out and returned twelve times, before a capital employed in the

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foreign trade has made one. *If the capitals are equal, therefore, the one will give four-and-twenty times more encouragement and support to the industry of the country than the other. — Adam Smith.*

India Cotton Goods. — Some years ago the East India Company annually received of the produce of the looms of India to the amount of 6,000,000 to 8,000,000 pieces of cotton goods. The demand gradually fell, and has now ceased altogether. European skill and machinery have superseded the produce of India. Cotton piece-goods, for ages the staple manufacture of India, seem for ever lost; *and the present suffering to numerous classes in India is scarcely to be paralleled in the history of commerce. — Parliamentary Report.*

Domestic Manufactures. — Let us suppose that manufactured goods of the value of £ 1,000,000 are annually produced in Lancashire, to be exchanged for corn of the value of £ 1,000,000 grown in Lincolnshire: £ 2,000,000 will of course be employed in this double production; and if the average rate of profit be 10 per cent., £ 200,000 of aggregate profit will be realized from the production and exchange, which, added to the national stock, will form the additional labor-fund required by the argument. Let us now suppose that, tempted by an apparent saving of 10 per cent. in price, the Lancashire manufacturer imports his corn from France. If the quantity of goods given in exchange for the corn be in the same proportion, the case, so far as the nation is concerned, will then stand thus: £ 900,000 worth of Lancashire goods will be paid for the French, instead of £ 1,000,000 worth for the Lincolnshire corn, which latter will no longer be required; £ 900,000 of English capital will therefore have been profitably employed instead of £ 2,000,000, — and £ 90,000, instead of £ 200,000, of profit will have been realized for the requisite addition to the national capital. If equally profitable employment could be found for the £ 1,100,000 of capital disengaged by this transfer, and the transfer itself could be made without loss, the change from home to foreign trade, though even then useless, would be unattended by any sacrifice of national capital. But is such a result conceivable? — *London Quarterly Review*, 1850.

The Fallacy of Free-Trade. — And now we must conclude. We have in great degree confined ourselves to proving how unsound is the social philosophy embodied in the Free-Trade policy. It would be even an easier task to prove its pernicious moral tendencies. It is in its very essence a mercenary, unsocial, demoralizing system, opposed to all generous actions, all kindly feelings. Based on selfishness, — the most pervading as well as the most powerful of our vicious propensities, — it directs that impulse into the lowest of all channels, the mere sordid pursuit of wealth. It teaches competition and isolation, instead of coöperation and brotherhood; it substitutes a vague and impracticable cosmopolitism, for a lofty and ennobling patriotism; it disregards the claims of humanity towards the poor, if opposed to the pecuniary interests of the rich; it takes no account of all that should exalt man in the scale of being, but elevates to exclusive importance his most degrading tendencies.

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Wealth is its end and aim, and Mammon its divinity. We cannot altogether regret with Burke that "the age of chivalry is past"; and though we do with him regret that "an age of sophists, of economists, and of calculators has succeeded," we still trust that "the glory of England is not yet extinguished for ever." — *Ibid.*

The Home Market. — The entire price or value of every home-made article constitutes net revenue, net income to British subjects. Not *a portion of* the value, but *the whole value* is resolvable into net income and revenue, maintaining British families, and creating or sustaining British markets. Purchase British articles with British articles, and you create two such aggregate values; whereas, on the contrary, the entire value of every foreign article imported is net income to the foreigner, and creates and sustains foreign markets. — *Adam Smith.*

Railway Progress. — It is written that man *shall* earn his living by the sweat of his brow, — or of his brain; and although some few jugglers contrive to evade this law, and cheat themselves of happiness while cheating their neighbors of a livelihood, still this cannot be done in the mass. There is no ten per cent. on free capital to be had; it must be worked hard for, or a monopoly of some brain-work must be obtained to procure it as a tribute. Otherwise, why should mankind pay tribute?

"If Cæsar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light; else no more tribute pray you now."

Could railway companies intersect England in the form of a cross, east and west, and north and south, and suffer no one to pass their borders without tribute, even then their ten per cent. would be impracticable, for mechanical art would be at work to circumvent the monopoly, in some new form. The genius of the age runs counter to expensive travelling, and if companies cannot be found to work railways economically for moderate gain, the state will do it sooner or later, when the special knowledge shall be arrived at of the most perfect mechanical arrangements. Meanwhile, the loss by railways has been chiefly the loss of individuals; while, as a national system, the gain has been enormous, yet, withal, but a small fraction of that which is to come, when the true and diversified uses of railways shall be understood.

In the civil engineering of railways, abridging distance between distant points is one main consideration; and the chief works of construction for this purpose are tunnels, viaducts, and bridges, the latter being a technical abbreviation from the verb to *abridge*. Tunnels are a comparatively simple affair, a mere question of time and work. Bridges and viaducts are works of structure, requiring skill and science of the highest kind to achieve perfection therein, bearing in mind two objects, the minimum cost of construction, with the maximum of durability. — *Westminster Review.*

Anticipated Speed. — Our day-dream is, six hours from London to Holyhead; then in an iron-screw steamer, double the size of the *Great Britain*, "ruling the waves straight," and bidding sea-sickness avaunt, two hours to Kingstown; then four hours by rail to Galway, the leaping-off place for the west; then, in another giant steamer, six days to New

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York; — London to New York in a week! What say ye, educators of the people, rulers of the state? With Ireland for a main trunk line, and America for a terminus, how long will it be ere one link binds together the hearts of all nations speaking the language of Shakspeare and Milton? Above all things let us have a steamer, — a floating bridge that may annihilate the channel between Holyhead and Kingstown. The one thing needed is, great size to insure swiftness, and stay the vertical heaving of Celtic diaphragms.

Reader! have you ever visited Newcastle, not the Midland town so called, but that on the east coast, where the Tyne runs in the bottom of a precipitous ravine, on the sides of which the town has gradually grown, after the strange forms of aggregation peculiar to the older cities, and where a speculator, some years back, with a sudden mania, built whole streets of magnificent stone houses for generations to come, many of them meanwhile remaining as carcasses occupied by strange inmates? There for ages have horses wrought hard to overcome gravitation in road transit, or rather in hill-climbing; there still the wonder of the stranger is, how the vehicle that bears him is got up the hills, and why it does not overrun the horses in their descent. There have we seen the fire-horse, inanimate, ere breathing the breath of its railway life, emerging from the well-known Newcastle factory of the railway chieftain, on a ponderous tumbril drawn by a train of horses as numerous as the foraging border troop of the Percy when he rode to Chevy Chace, winding its slow way over the stone-paved hills to the railway level, — on no hostile thoughts intent, — not to win wildernesses from wild men, but to win civilization from a wilderness. No battle-steed for the hunter of deer or slayer of men, but the courier of commerce, the peacemaker among mankind. — *Ibid.*

Light Rails *vs.* Heavy Rails. — There are two mechanical modes of meeting the difficulty. One is, to increase the strength and weight of the rails and railway; the other, to diminish the weight of the rolling stock.

Against the former, increasing the weight of the rails, Mr. Brunel, who should be skilful in questions of weight, has lifted up his voice in the Institute of Civil Engineers, proclaiming that, in his practice, rails of 60 pounds to the yard are more durable than those of 85. He says, that no good iron can be obtained in large sizes. Very possible, though that difficulty will not long endure under incessant competition, skill, and industry. The more probable solution is, that the light rail is elastic, and gives and takes better with the longitudinal sleeper to which it is fastened. And it is quite clear that the elastic yielding will have a tendency to elude abrasion. But this will be at the cost of wasted steam-power, precisely as a horse, in galloping over loose sand, will save the waste and wear of his shoes at a much greater expenditure of wind. — *Ibid.*

Resistance of Iron. — *Experimenters tell us that a square inch of wrought-iron begins to crush under eleven tons of standing insistent weight; yet every day are engines with twelve tons borne on the point-like contact of the driving-wheels, traversing the rails at fifty and sixty miles per hour. If the rail be elastic and gets away from the crush, steam-power only is wasted; but if the rail be as a solid girder, it rolls*

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and squeezes out. That is one reason why unyielding stone block sleepers have been cast out of the railway category. — *Ibid.*

Railway Profits. — The question was once put to us, "For whose benefit are railways made?" The asker was a shareholder, disappointed of a dividend. We began to enumerate. For Parliamentary agents, for barristers, for solicitors, for surveyors and architects, for engineers, contractors, and — here we stopped short, considering that the shortest mode would be to state for whose benefit they were *not* made, viz. the shareholders. — *Ibid.*

LEGAL MISCELLANY.

Late Decisions in Maryland.

Banks.

To tax both the real and personal property, and stock, of a bank, would be a double tax, and therefore illegal and unjust. *Gordon, Ex. of Gordon*, v. *M. & C. C. of Baltimore*, 5 Gill, 231.

The act of 1821, ch. 131, sec. 11, did not restrain the city of Baltimore from taxing bank stock within her corporate limits; such an intention is not clearly expressed in that act. *Ibid.*

The stipulation in the act of 1821, not to impose any further tax upon the banks mentioned in it, during the continuance of their charters, was intended to protect the banks against any additional tax for twenty years, which might be imposed by the Legislature for State purposes. The terms further tax, under the circumstances, have no application to the city of Baltimore. It was not intended to exempt the banks there situated from all taxation. *Ibid.*

The intention of the act of 1841, ch. 23, was to subject the stock of the banks to both State and city taxation. In relation to the State, this was a violation of the act of 1821. The right of the city to tax the stock is unaffected by any constitutional inhibition. *Ibid.*

Where, by a transfer on the books of a bank, the corporation has notice of the trusts with which certain shares of its stock were clothed, and that the complainants were the legal proprietors thereof, the officers of such corporation, being trustees of the stockholders, cannot, without its being responsible, by any negligence or mistake allow the title to the stock to pass in a transfer by any other person than the trustees. *Farmers and Mechanics' Bank et al.* v. *Wayman and Stockett*, *Ibid.* 336.

By the act of 1826, ch. 107, sec. 12, it was directed that books should be kept at *F.*, in which should be fairly entered the names of the stockholders, the amount of stock belonging to each, and that transfers should be made on the books of the bank on proper application by the stockholders. Such a stock list was not kept by the bank; and in consequence of which, the bank as it was then incorporated, consisting of the mother bank at *F.* and its branch at *W.*, would have become responsible for any injury which had proceeded from such neglect. *Ibid.*

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Such a liability having been incurred, the act of 1829, ch. 35, which separated the mother bank and its branch into two independent corporations, does not destroy it. *Ibid.*

Each, after the separation, ought to be held liable in equity for the prior neglect of duty, and in proportion to the capital of each; neither present bank can throw the whole loss upon the other. *Ibid.*

Bills of Exchange and Promissory Notes.

The statute of frauds on the subject of consideration, in agreements to pay the debts of third parties, has no application to instruments under seal. *Edelen* v. *Gough*, 5 Gill, 103.

The term "for value received," in a written instrument, is a sufficient expression of a consideration required by the statute of frauds. *Ibid.*

A note, given to secure the anterior indebtedness of the defendant to the plaintiff, does not require words of consideration to support it. *Ibid.*

In October, 1841, *R.*, being indebted to a firm of which *C.* was a partner, gave her notes, at his request, dated 1st November, 1841, payable in instalments at from one to five years, for the amount of the debt. One of those notes *C.* transferred to *A.* by way of security, and when it fell due *R.* gave her renewal note for a part of the same, also dated 1st November, payable in two years and six months, and due 1st May, 1844, to *W.*, the brother of *C.*, who indorsed it to the plaintiff. The time of that transfer did not appear. In an attachment commenced by a creditor of the firm, on the 10th January, 1842, against *R.* and *T.* as garnishees of *C.*, survivor of such firm, judgment of condemnation was rendered in January, 1843, of said renewal note, in favor of the attaching creditor. On the 14th June, 1842, *C.* applied for the benefit of the insolvent laws of Maryland, and there was evidence tending to prove that he was *then* the holder of the said renewed note. *Held*, that if the jury believed that *C.*, when the attachment was issued, or when he applied for relief under the insolvent laws, was the holder of the said renewed note, then the indorsee of *W.* was not entitled to recover its amount from *R.* *Somerville* v. *Brown*, *Ibid.* 399.

An attachment laid in the hands of the maker of a promissory note, as garnishee, for the debt of an indorsee, then being the owner and holder of the note, followed by a judgment of condemnation on the attachment, will protect the maker, as garnishee, in a subsequent action, brought on the same note, by a subsequent indorser receiving the note without notice. *Ibid.*

If the debt due on a negotiable note could not properly be the subject of an attachment until after its maturity, still, if the maker of the note, in a contest, in such a case, fairly resisted, has been adjudged by a court of competent jurisdiction to pay such a debt to an attaching creditor of the holder of the note, such maker would find a defence in such a judgment of condemnation, and not be adjudged to pay the same debt twice. *Ibid.*

The insolvency of the holder of a note or bill of exchange passes the title thereto to his trustee, and disables the insolvent from conveying an interest in the bill or note, after the date of his personal discharge, and before its maturity, even to an indorsee without notice of his insolvency. *Ibid.*

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D., a resident and citizen of New York, sold and delivered goods in that city to *R.*, a resident and citizen of Maryland, for which the latter, on the 12th May, 1841, in fact, gave the former his note at six months, dated 6th November, 1840, due 9th May, 1841. On the back of that note was indorsed a receipt of the 12th May, 1841, of *L.* in Maryland, for merchandise to the value of $ 535, and several promissory notes of third parties for $ 538.80, from *R.*, on account of the note at six months, which was delivered up to him. On the 12th May, *R.* was insolvent, which fact was known to *D.*, for whom *L.* acted as agent. In August following, *R.* applied for relief under the insolvent laws of Maryland. In an action of trover, brought by his permanent trustee against *L.*, to recover the value of the merchandise and notes which he received from *R.*, *held*,—

1. That the original contract between *D.* and *R.* was a New York contract, in legal contemplation to be performed there, and governed by the laws of that State.

2. That the note subsequently given by *R.* to *D.*, as evidence of his indebtedness, could not alter the locality of the original contract.

3. As that note was not paid, *D.* might have sued on the original contract. *Larrabee* v. *Talbott*, *Ibid.* 426.

Rights of Stockholders.

Where an original subscriber to the stock of an incorporated company, bound to pay the instalments upon his subscription from time to time, as they were called in by the company, transfers his stock to another, with his assent, such other person is substituted to the rights and obligations of the original subscriber, and bound to pay up instalments called for after the transfer to him. *Hall* v. *U. S. Ins. Co.*, 5 Gill, 484.

Payment of instalments, by a transferee of stock, is evidence of his assent to the transfer to him. *Ibid.*

When the charter of a company declares that no stockholder, indebted to the company, shall be permitted to transfer his stock, until his debt be paid or secured to the satisfaction of the directors; this is a privilege which may be waived or asserted, at the pleasure of the president and directors. *Ibid.*

Instalments upon subscriptions to stock not called in are not within the meaning of such a clause. It relates to debts due and payable *in presenti*, not *in futuro*. *Ibid.*

A transfer of stock on the books of an incorporated company is merely to pass it to the transferee, and is as good between the parties, if made without consideration, as if made with it. It does not profess to disclose the consideration which induced it, nor the terms of the contract from which it emanates, and of which it is the consummation. *Ibid.*

Stockholders in chartered companies, bound to pay instalments as called for upon notice from such companies, are affected by notices published in the newspapers where the companies transact their business. They cannot require personal notice, and where receivers are appointed to collect the sums due from them, they possess the powers of the direc-

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tors of such companies, as given by their charters in such cases, both as to time of payment, and amounts called in. *Ibid.*

The substitution of such newspaper publications, in lieu of personal notice, has so long been a universal usage, and of a notoriety equal to that of newspapers themselves, that the custom of doing so has become a part of the law of the land. *Ibid.*

Recent Law Decisions in the New York Court of Appeals.

From Comstock's Reports, Vol. II., 1850.

Where the owner of a bill sends it to his correspondent to be collected, with directions to place it to his credit, and at the same time draws at sight against the fund, the title to the bill passes, so that the proceeds cannot be followed into the hands of third persons receiving them in good faith. *Clark* v. *The Merchants' Bank of New York.*

Clark & Co. were brokers in Philadelphia, and Smith & Co. were brokers in New York. They were the collecting agents and business correspondents of each other in those cities. Clark & Co. sent to Smith & Co. a bill due at sight, to be collected, and directed it to be placed to their credit. At the same time C. & Co. drew sight drafts on S. & Co. for the amount. S. & Co. collected the bill by receiving the check of the drawee, and credited the amount to C. & Co. They then deposited the check in the bank where their accounts were kept, and the bank passed it to their credit as cash, and received the cash upon it. S. & Co. stopped payment without paying the drafts of C. & Co. drawn against the bill, and being indebted to the bank more than the amount of the bill. *Held*, that on the receipt of the bill by Smith & Co. the title vested in them, and that Clark & Co. could not recover the proceeds thereof from the bank. *Ibid.*

The drawer of a bill is never liable to the acceptor in that character, and therefore a release to him, as drawer merely, will not discharge a claim against him for moneys subsequently paid by one who accepted the bill for his accommodation. *Pearce* v. *Wilkins.*

Where one contracts in the form of a guarantee upon the back of a promissory note, he cannot be made liable *as indorser*, nor can he set up in his defence the want of demand and notice. *Brown* v. *Curtis.*

Where the holder of a promissory note indorses and transfers it for value, in the usual course of business, he will not be discharged, although the indorsee takes security from the maker, and afterwards surrenders it without his consent.

Where, however, the indorsee changes the *contract* of the maker, as by extending the time, or giving a new credit, so as to suspend the right of action on the note, this is a good defence to the indorser. *Pitts* v. *Congdon.*

Late Decisions in the New York Suprene Court.

Banks and Banking Associations.

Where a bank had allowed the liabilities of its directors to amount to a sum beyond that allowed by law, and the cashier of the bank, in anticipation of a legal examination of its affairs, and to reduce the directors'

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liabilities, procured notes to be made and indorsed for his accommodation, and with them took up other notes of his held by the bank, on which a director was his indorser; *held*, that the transaction was not legal, and that the parties to the substituted paper were liable thereon. *Seneca County Bank* v. *Neass*, Denio's Supreme Court Reports, Vol. V.

Bills of Exchange and Promissory Notes.

Where a note held by a bank is payable at the bank, no formal demand of the maker is necessary in order to charge the indorser. It is sufficient if the maker have no funds there at its maturity with which to pay it. *Per* WHITTLESEY, J. *Gillett* v. *Averill*, *Ibid.*

Where an indorsee of a note negotiates it to another, and, after a protest for non-payment, has judgment given against him as indorser in favor of the holder, and then takes up the note and sues a prior indorser, relying on the notice of non-payment which the holder had given on its becoming payable; a judgment in favor of such prior indorser in a suit by the former holder, in which the question of notice was the point litigated, is evidence against the plaintiff in the action against such prior indorser, and if properly pleaded is a conclusive bar to a recovery. *Per* MCKISSOCK, J. *Leonard* v. *Barker*, *Ibid.*

A notarial certificate, given in evidence to charge an indorser, stated that on the proper day the notary had presented the note, and that payment was refused, and then, after the usual words of protest, added, "on the same day and year above written *due notice of the foregoing protest* was put into the post-office," &c.; *held*, that the contents of the notice were sufficiently stated. *Seneca Co. Bank* v. *Neass*, *Ibid.*

In the statement of the *presentment*, in such a certificate, of a note payable at a bank, it is not sufficient to say that the note was presented *to the cashier* of the bank. It must appear that it was done *at the bank.*

Where the indorser of a note resides in a different town from that at which it is payable, notice of dishonor may be sent by mail directed to the town of his residence, though he receive his letters at the post-office in the town where the note is payable, and that office is nearer to him than the one in his own town.

Where an indorser receives his letters at a post-office in an adjoining town, which is also nearer to him than the post-office in his own town, notices of dishonor from a town remote from both may be sent either to his own town, or to the office where he receives his letters. *Per* WHITTLESEY, J.

Where the maker of a note had procured another to indorse it for his accommodation, with a view to use it in his business, and he afterwards lent the note to another, who negotiated it to a *bonâ fide* holder; *held*, that the circumstances did not furnish a defence to the indorser.

So *held*, where the party to whom the note was lent was the cashier of a bank, and he negotiated it, by procuring it to be discounted at the bank of which he was cashier.

An agreement in writing, by which the subscriber to it promised to pay another a sum of money on demand, with interest, and added, *but no demand is to be made as long as the interest is paid*, is not a promissory note. *Seacord* v. *Burling*, *Ibid.*

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A guarantee of payment, indorsed on a promissory note, though given at the time the note was made, and in order to afford additional security to the payee, is not itself a promissory note. *Hall* v. *Farmer*, *Ibid.*

It is "a special promise to answer for the debt, default, or miscarriage of another person," within the language and spirit of the statute of frauds (2 *R. S.* 135, § 2); and, to be valid, must express the consideration on which it is made.

Where the president of a bank, who is the maker of an indorsed note discounted by it, procures a third person, cognizant of the facts, to make a new note of the same tenor and amount, which he indorses and exchanges for his own, and delivers that to the maker of the new note for his security, making entries in the books of the bank indicating that the first note is paid and the second discounted; *held*, that the first note was not paid, but remained in force against both maker and indorser. *Highland Bank* v. *Dubois*, *Ibid.*

Notary Public.

The certificate of a notary public of this State, of the presentment of a promissory note for payment out of the State, is not evidence of any thing stated in it. Such a presentment, to be regarded as the official act of the notary, must be performed within this State, and it is only official acts which the statute authorizes to be proved by a certificate. *Dutchess County Bank* v. *Ibbotson*, *Ibid.*

Late Decisions in the Supreme Court of Vermont.

Promissory Notes and Bills of Exchange.

The defendants executed a promissory note for $1,000, upon the face of which they all appeared as principals, although two of them were really sureties, and made the note payable to the Burlington Mill Co., or order, in six months; and it appeared that the payees knew that two of the signers were sureties, and also knew that the note was procured for the purpose of enabling the principals to acquire a credit for the purchase of cloth; and it also appeared that the sureties signed the note for the express purpose of enabling the principals to obtain cloth of the Burlington Mill Co., on credit, to the amount of the note, — but there was no evidence that this was known to the payees. The principals delivered the note to the payees, and received cloth, but not to the amount of the note, the payees being unable to furnish it; and thereupon the plaintiffs delivered to the principals cloth to the amount of the balance of the note, and the payees, with the consent of the principals, agreed to hold the note, so far as that balance was concerned, for the benefit of the plaintiffs. And it was held, that the note thereby became operative, in the hands of the payees, for its full amount, and that the plaintiffs acquired an equitable interest in it to the amount of the balance for which cloth was not furnished by the payees. *Lyman et al.* v. *Sherwood et al.*

And the principals having paid to the payees of the note the amount which they had advanced upon its credit, it was held, that the payees might legally transfer the notes to the plaintiffs by indorsement, and that

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the plaintiffs might sustain an action thereon in their own names and for their own benefit, and that it made no difference, in this respect, that the note was indorsed overdue. *Vermont Supreme Court Rep.*, Vol. XX.

And it was also held, that an indorsement of the note in these words, "Pay the within balance to Lyman & Cole, without recourse to the Burlington Mill Co., (signed) Sidney Barlow, agent," was sufficient in *form*, as an indorsement by the corporation,—there being no question as to the *authority* of Barlow to act as agent of the corporation in that matter.

Where the maker of certain negotiable promissory notes executed a sealed instrument, certifying "to all persons" that he had signed the notes, and waiving all benefit of the statute of limitations, and agreeing to pay the notes "the same as though the statute of limitations had not run upon them," it was held, that this instrument did not afford a remedy, by action upon it, coextensive with the remedy by action upon the notes, and that it was evidently not the intent of the parties that it should supersede the notes, and that therefore it was not a bar to an action upon the notes, but could only be used in aid of such action. *Langdon* v. *Paul.*

It is no objection to a recovery upon promissory notes, that they were secured by mortgage, and that the mortgage has been foreclosed, and that the notes, with others secured by the same mortgage, were described in the bill of foreclosure, if it appear that these notes were not presented to the master in chancery, upon the taking of the account, and were not included in the decree of foreclosure. A mortgagee is not obliged to foreclose for all his notes.

One who writes his name upon the back of a note, if he were not before a party to it, assumes the same obligation as if he wrote his name upon the face of the instrument; and although he do this long after the making of the note, it makes no difference; if he consent to be thus bound, and induce others to take the note under that expectation, he will be estopped to deny that fact, and is treated, to all intents, the same as if he had signed the note in its inception. But the signature being blank, he may undoubtedly show, by oral evidence, the real obligation intended to be assumed at the time of signing. *Sylvester, Ex'r*, v. *Downer.*

And if the note be subsequently indorsed, the person thus signing may be sued in the name of any person into whose hands the note comes in the course of its circulation.

And if the obligation thus assumed be by a blank signature upon the back of the note, the writing out the obligation over the signature is mere form, and may be made at any time, and, if made wrong, may be corrected at any time. And it is just as well if not made at all.

The owner of a lost note, not negotiable, may recover its amount, upon proving its execution, delivery, and terms, and its loss, without proof of its destruction; and this recovery may be had upon a count for money had and received. *Hough* v. *Barton.*

The fact, that the name of the payee of a note was indorsed upon it, at the time it was lost, does not prove that the note was negotiable.

In this case the plaintiff brought his action against S. & W. Downer & Co. upon a promissory note, describing it as being the note of that firm, but alleging, in his declaration, that the note was by mistake signed

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Downer & Dana, though it ought to have been signed by the style of partnership of S. & W. Downer & Co., as the note was given for the benefit of the latter firm, and for property which went to their use. The note, when produced in evidence, purported to be signed "Downer & Dana." And it was held, that there was no variance between the declaration and the evidence. *Miner* v. *Downer et al.*

And it was also held, that such declaration was not defective, on motion in arrest of judgment.

There is no prescribed form of words necessary to be used, in order to constitute an indorsement of a promissory note. *Partridge* v. *Davis.*

A written guarantee of the payment of a promissory note, placed by the payee upon the back of the note for the purpose of negotiating it, whether with or without restriction, or with or without recourse, is the same, in legal effect, and for every practical purpose, as an indorsement, and may be treated as such.

And such indorsement will operate to transfer the legal title in the note to any subsequent holder, notwithstanding the person to whom the note is first transferred is not named in the indorsement, and it is not made payable, in terms, to order, or bearer.

And an indorsement thus made in the form of a guarantee will render the payee liable, as indorser, to any subsequent holder of the note, upon proof of the proper demand and notice.

And the maker of such indorsement is also liable as guarantor, without proof of demand and notice, if the note be not paid at maturity. DAVIS, J.

And such guarantee passes with the note, so that any subsequent *bonâ fide* holder has the right, as well against the guarantor as against the maker, that appertained to the person to whom the note was first assigned. DAVIS, J.

A. agreed to sell to B. a piece of land for twenty-five dollars, and B. gave his note for that sum, and took possession of the land, and received from A. a contract in writing, that he would deed, if the note were paid, according to its tenor. The note not having been paid at maturity, A. brought ejectment against B. and recovered possession of the land. And it was held, that, having thus elected to rescind the contract, he could not subsequently enforce payment of the note. *Arbuckle* v. *Hawks.*

The maker of a promissory note, when sued by an indorsee, cannot plead an offset, even though the note were indorsed overdue; but he is entitled, under the general issue, to make any defence which grew out of the note transaction, or out of any agreement between himself and the payee in relation to it. *Walbridge* v. *Kibbee.*

No person, although in fact a principal, or partner, can sue, or be sued, upon a bill of exchange, or negotiable promissory note, unless he appear upon its face to be a party to it. *Bank of United States* v. *Lyman et al.*

In this case the Bank of the United States, the plaintiffs, sought to recover upon a promissory note, executed by the defendants, and made payable to "Samuel Jaudon, Esquire, cashier, or order," and it appeared that the note was given for a debt due to the plaintiffs, and that Jaudon was their cashier, acting merely as their agent in taking the note,

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and having no personal interest in it whatever, and the note not having been indorsed by Jaudon, it was held, that the plaintiffs could not sustain an action upon it, nor give it in evidence under a count for money had and received to their use, or on an account stated with them.

A part payment, a promise to pay, or an acknowledgment of liability, by the indorser of a promissory note, after the note becomes due, is *primâ facie* evidence, not only of notice, but of presentment.

Where, after a promissory note had been duly protested for non-payment, the indorser requested that it might be kept charged in a separate account, and, when the account, so kept, was subsequently rendered, made no objection to it, except to claim an additional item of credit, and said nothing as to want of notice of non-payment, it was held, that this was an acknowledgment of liability to pay the note, and thereby an admission that notice had been given. *Ibid.*

Notice of Protest.

This was an action against the indorser of a promissory note. The only question was whether there had been sufficient notice to charge him. The case was submitted to the court (Perkins, J.) upon the following facts agreed. When the note became due, demand was made upon the maker, and a notice in due form and proper time was deposited in the Boston post-office, addressed to the defendant at Cambridge. There are in Cambridge three post-offices, — the Cambridge office, Cambridgeport office, and East Cambridge office. The defendant at the time lived in the part of Cambridge called Cambridgeport, a mile and a half from the Cambridge office, and something less than half that distance from the Cambridgeport office, from which he usually received his letters. The location of the post-offices at Cambridge, the part of that city in which the defendant resided, and his practice as to receiving his letters, were unknown to the plaintiffs, — the holders of the note at the time when it became due. The court held, that the notice was sufficient, and ordered judgment for the plaintiffs. *Henry B. Williams et al.* v. *Leonard Putney. Before the Court of Common Pleas, Boston.*

Broker's Contract.

This case has occupied the court during the last six days. It was an action to recover the premium on treasury-notes purchased by the defendant from the government, in which purchase it was alleged that Joseph S. Lake had been a partner, and in December, 1849, assigned his share of the profits to be yet derived from the transaction to the plaintiffs, for $10,000. According to the evidence for the plaintiffs, in the month of February, 1848, Lake and Thompson agreed to purchase, for their joint account, half a million of treasury-notes, and divide the profits arising from the sale of them between them. In pursuance of this agreement, Lake advanced $ 5,000 to Thompson, which the Secretary of the Treasury required to be deposited as security for the performance of the contract. It also appeared that he paid another sum of $12,000, on account of the same transaction. But it did not appear that Lake ever

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advanced any other amount for the purpose of completing the contract. Thompson obtained the treasury-notes from the government, and, from time to time, transferred $ 82,000 of them to Lake, for which he paid. And for the premiums derived from the balance of the $ 250,000 of notes, which Lake claims he had a right to, the present action was instituted.

For the defence, it was denied that any partnership ever existed between Lake and Thompson in the purchase of the treasury-notes, and that Thompson had merely sold Lake part of them, as he would sell them to any other person who applied to purchase them.

The jury found a verdict for the plaintiff, and found, by consent, that the undelivered residue of the twenty-five thousand dollars of treasury-notes claimed by the plaintiffs as not having been delivered to Lake were worth in the market, beyond their par value, as follows: — On Dec. 7, 1848, without interest, $ 13,125; Dec. 9th, $ 15,226; Jan. 5th, 1849, $ 16,497; June 15th, highest value, $ 32,104; 22d April, 1850, $ 30,552. The jury found as damages such sum as in the opinion of the court may be the proper measure of damages, subject to the opinion of the court on a case to be made. *R. H. Winslow and others* v. *John Thompson. Before the Superior Court of New York.*

Duties on Waste Sugar.

A very important case, in which the importers of sugar are largely interested, *The United States* v. *Horace Southmayd et al.*, argued last week before the Supreme Court of the United States at Washington, by B. F. Butler., Esq., for the merchants, and the Attorney-General for the United States, was decided in favor of the defendants, and against the government.

This decision settles a controversy which has been for some time pending between the sugar importers and the Treasury Department, growing out of the fact, that all sugar imported into this country from the West Indies suffer great diminution in quantity, during the voyage of importation, from *drainage* and *leakage*. Five *per cent.*, on the average, of every importation, is, in this way, subtracted from the quantity shipped before it reaches the port of entry. The duty, however, has always been charged upon the *entire weight*, as specified in the invoice, without deduction for the loss on the voyage, by the Custom-House officers under the directions of the Secretary of the Treasury. For the purpose of testing the question, the United States commenced an action in the Circuit Court of the United States for this District, in October, 1849, against Messrs. Southmayd & Son, for the recovery of duties alleged to be due and unpaid upon sugars imported by them from Porto Rico. It appeared on the trial that the weight of the sugar, when shipped, and as stated in the invoice, was 191,710 pounds, Spanish. That its *actual weight* at the time it reached this city was only 180,713 pounds, Spanish, leaving a deficiency of 10,997 pounds, upon which the United States claimed that the duty was to be paid, as well as upon the 180,713 pounds actually imported, inasmuch as it was included in the weight as specified in the invoice; and the tariff of 1846 provides that "under no circum-

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stances shall the duty be assessed upon an amount *less* than the *invoice value.*"

The Circuit Court decided formally in favor of the defendants, and the case was carried to Washington, where, as has been stated, the former decision has been affirmed. A very large amount of duties paid under protest will revert to the importers under this decision.

(Our readers will find a similar case, at length, in our third volume, p. 57. — *Editor B. M.*)

On the Law of Bills of Exchange, &c.

From the London Bankers' Magazine, June, 1850.

THE ACCEPTANCE.

We propose, in this and a following paper, to detail the law relating to the acceptance of bills of exchange. We shall place our observations in the following order: — 1. *On Presentment for Acceptance.* 2. *On the Form of the Acceptance.* 3. *Acceptances varying from Tenor.* 4. *On the Effect of an Acceptance.*

1. *Presentment for Acceptance.*

It is obviously desirable, in all cases, for the holder of a bill of exchange which has been issued without an acceptance, to present it to the drawee for acceptance, as an additional security is thereby obtained; but it is not necessary as regards bills of exchange payable at a fixed period after date. Bills of exchange payable at sight, or at a certain period after sight, must be presented for acceptance within a reasonable time. The following are instances of what has been held to be a reasonable time for this purpose. A party residing at Windsor received on the 9th of the month a bill on London, at one month after sight, for £ 100. There was no post on the 10th, Saturday. The bill was presented on Tuesday. It was held to have been presented within a reasonable time. *Fry* v. *Hill* (7 Taunton, 397).

The purchaser of a bill of exchange on Rio, at sixty days' sight, kept it nearly five months, during which time the drawee failed. It was held that the delay was not unreasonable, as the exchange was against the holder, and therefore he had a right to wait for a turn in the market. *Mellish* v. *Rawdon* (9 Bingham, 416).

But where a bill of exchange, payable after sight, was drawn in duplicate on the 12th August, in Newfoundland, and not presented for acceptance in London till November 16th, and no circumstances were proved to excuse the delay, it was held unreasonable. *Straker* v. *Graham* (4 Meeson and Welsby, 721).

The holder may put the bill into circulation instead of presenting it for acceptance; but he must not retain it in his own hands for an unreasonable time. It has been said, that if a bill of exchange, drawn at three days' sight, be kept out in circulation for a year, there would be no laches. *Muilman* v. *D'Eguino* (2 Henry Blackstone, 570).

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Bills drawn by country bankers upon their London correspondents may be retained by the holders of them for a moderate time, as they are regarded as part of the circulating medium of the country. *Shute* v. *Robins* (1 Moody and Malkin, 135).

2. *Form of Acceptance.*

By statute 1 and 2 Geo. IV., c. 78, s. 2, it is enacted that no acceptance of any inland bill after the 1st of August, 1821, shall be sufficient to charge any person, unless such acceptance be in writing on such bill, — or, if there be more than one part of such bill, on one of the said parts. It has been held that this statute does not render the signature of the acceptor necessary, but that he may bind himself by writing the word "accepted" only, although it will be a question for the jury, depending on circumstances, whether it was intended that the word should operate as an acceptance. *Dufaur* v. *Oxenden* (1 Moody and Robinson's Reports, 90). But there may be many objections taken to such an acceptance, and the holder ought not to be satisfied unless it be signed.

As regards partnerships, the bill ought to be accepted in the trading name of the firm. In *Kirk* v. *Bellerton* (9 Meeson and Welsby, 284), a firm consisting of J. B. and C. H. was carried on under the name of "J. Bronly." C. H. accepted a bill in the name of "J. B. and Co." It was held that the firm were not bound. The liability of J. Brested was on the implied authority given to his partners to obtain money on the credit of the firm, as it was known to the world. J. B. and Co. were not the firm, and therefore the lender of the money had no right to fix C. H. a partner, who had only authorized liabilities to be incurred in the name of J. B. It will be noted, that the bill was not accepted either in the real name of the firm or the name of the partners. In the case of *Norton* v. *Seymour* (16 Law Journal, C. P., 100), it was contended that a note made by Thomas Seymour in the names of Thomas Seymour and Sarah Ayres did not bind the partner, Sarah Ayres, because the evidence was, that the business was carried on in the names of "Seymour and Ayres." The court, however, held that this was binding upon the firm. Mr. Justice Maule said, — "With respect to the signature of the note, this was a note signed by one partner of a firm with the true names of himself and the other partner. I should hesitate to decide in the negative with respect to this being binding upon both partners, even if there were no evidence of one having authority to sign in the names of both. Suppose A. and B. trade under the name of B. and Co., I should be sorry to say one partner could not bind the other by signing the two names of the partners as well as the fictitious name of the firm."

As regards joint-stock banks, it is now, by 7 and 8 Vict., c. 32, s. 26, enacted that it shall be lawful for all persons carrying on the business of banking in London, or within sixty-five miles thereof, to draw, accept, or indorse bills of exchange, not being actually payable to bearer on demand. Trading corporations may accept bills of exchange, but corporations formed for other purposes cannot do so unless expressly authorized. *Steele* v. *Harmer* (24 Law Journal, Ex. 217).

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In *Polhill* v. *Walter* (3 Barnewell and Adolphus, 114) and *Jackson* v. *Hudson* (2 Campbell, 447), it was held that if a person, other than the drawee, write an acceptance upon a bill in the usual form, he is not liable as an acceptor, though he may be sued on his collateral undertaking; and it has since been expressly decided, that a bill directed in blank may be accepted by any body, and be a good bill; but if directed to a particular person, it cannot be accepted by any other person, except for honor. *Davis* v. *Clarke* (14 Law Journal, E. B. 305).

An acceptance payable at a banker's, or other place, without further expression, shall be deemed a general acceptance; but if a bill be accepted payable at a banker's, or other place, and not otherwise or elsewhere, such acceptance shall be deemed a qualified acceptance, and the acceptor shall not be liable to pay the said bill, except in default of payment, when payment has been first demanded at such banker's, or other place. 1 and 2 Geo. IV., c. 78, s. 1. This statute does not apply to questions between the holder and the drawer, or any other party than the acceptor. *Gibb* v. *Mather* (8 Bingham, 228). Nor to promissory notes. *Trecothick* v. *Edwin* (1 Stark, 468).

THE CREDIT OF PERU.

From the London Correspondent of the New York Courier and Enquirer.

Peru and its debt occupy the attention of the English money world, almost to the exclusion of all other topics. The late rise in its value of nearly one per cent. a day, and for a long time without any reaction, without the slightest fall, is an event in the history of prices without precedent. Scarcely a year ago, the idea that Peru would recognize and pay the interest on the debt, and also create a sinking fund to pay the principal by annual payments, was first promulgated, and now so rapidly has confidence returned, that what was then offering at fifty per cent. could not, a few days since, be purchased at 120 (i. e. the original bond for 84 and the one for arrears at 36). For upwards of twenty years the credit of Peru was *nil;*—her name was never mentioned without a sneer; her people were regarded as quite "Mississippish." Fortunately for her, within the last five years the demand for the guano obtained from the desert rocks off her coasts has rapidly increased; so much so, indeed, that her credit has actually been restored in the eyes of her own people, and "shin-plaster" memorandums of indebtedness, which heretofore were issued from her treasury in lieu of metal coins, have either disappeared, or are no longer obtainable at the trifling discount of sixty per cent. As the amount of the interest in arrear *exceeded the amount of the original debt*, it became an object with the government of Peru at once to "capitalize" it into a three per cent. deferred stock, and at the same time issue new bonds for the old debt (dollar for dollar), bearing ultimately a rate of six per cent., although for the first two years only a gradually increasing rate, commencing with but four per cent.

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To show how the defaulting states of *South* America compound with their creditors abroad, it may be worth while to mention that, provided the debt is recognized to the full amount, and it is proved that the offer of compromise made by the state is as much as can safely be offered (with a reasonable hope that it will be carried out), it is sure to be accepted. In this case the interest of the debt commences at four per cent., and increases at the rate of one half of one per cent. annually, until it reaches six per cent., which it will do at the end of 1853, and there the increase stops; and the stock issued in lieu of the arrears of interest does not pay any thing at all until the month of October, 1842, and then only one per cent. per annum; but it increases one half per cent. per annum until it reaches three per cent., and will so continue. In the year 1853, a sinking fund of one per cent. per annum will commence to operate on the stock, and in April, 1856, a sinking fund of one half of one per cent. per annum will commence to operate on the deferred. This year the amount required for interest will be £ 68,000, and in 1856, when the full interests will be payable on both stocks and the two sinking funds, the amount required will be upwards of £ 180,000. Short as the time is before the full payments are made, it yet shows much forbearance on the part of the creditors, who, after waiting *twenty years* for dividends, did not insist upon better terms, especially as it was pretty well understood that the condition of the state was better than the government was willing to *admit;* or at least the creditors believed it was better able to pay than it professed to be, and this amounts to the same thing.

For the carrying out of the arrangement, the sole reliance of the creditors is on the guano. To rely upon the industry of the Peruvian people would be idle; not that the respectable portion of the Limenese are not keenly aware of the dishonor attached to broken faith and broken promises, but it is notorious, that the Spanish-American, in the soft luxuriance of the tropics, will scarcely labor to obtain for *himself* the most needful supplies; and still less is it to be expected that he will toil, and endure taxation, to pay the interest due from his government to foreign creditors upon debts contracted by his fathers. Relying solely upon the guano, it becomes to the creditor of the utmost importance to note the gradual increase of the importations yearly. In 1847, the number of tons was 64,000, in 1848 it was 68,000, and in 1849 it was 75,000, and in this year the bets are large that it will exceed 100,000. Up to 1847, the quantity of guano imported from Peru was not so large, because it had to compete with the guano from Ichaboe, in Africa, was inferior in quality, and much lower in price. Now that the whole of the really *good* African deposits have been worked out, the field is clear for the Peruvian. Besides this, it now stands upon its own merits; and as the agriculturist was formerly not sufficiently informed upon the subject, he often had the inferior African guano palmed upon him for superior Peruvian; and thus, because it did not come up to his expectation, he became discontented, and refused to renew his experiment, until coerced into it by the success of some more fortunate neighbour.

One half of the net profits of the guano, after paying all expenses of freight, commissions, &c., is set aside to liquidate the interest and the

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debt; the other half being reserved for the current use of the Peruvian government. The bondholders feel themselves secure, because, — *First:* The Peruvians have intimated their intention of relinquishing any part of *their* portion, which may be required to make good any deficiency in fulfilling the engagements to the bondholders. This is more than the creditors ever contemplated, and therefore they receive it as an earnest of the good faith of the Peruvians. *Secondly:* As long as the salaries of the Peruvian Executive depend upon the sale of the guano, there is but little likelihood of the regular supply of it to this country being stopped. *Thirdly:* The sale of it is in the hands of the highly respectable firm of Anthony Gibbs & Sons, of this city, who have been established for very many years (thirty at least), and as long as they continue to be the agents, so long will the creditors have full confidence in the Peruvian government. *Fourthly:* The islands from whence the guano is obtained are literally the *property* of Peru, as a state, and are not inhabited; neither has any private individual the slightest claim upon them; and therefore, should there be any default, a seizure of them for the purpose of applying the proceeds of the guano to the payment of the British bondholders would be quite in unison with Lord Palmerston's views on the subject of retaliation on defaulting states, and could be accomplished without wrong to individuals. And, *Fifthly:* The guano costs the Peruvians *nothing*, and cannot be sold to any extent in any other country than this, as Great Britain consumes fourteen fifteenths of the quantity exported.

Many of the first experiments with guano were unsuccessful, or at least were not attended with those *enormous* results which had been expected; because either the inferior guano of Africa had been employed, or else (which is more detrimental) they had spread it over the land in *dry* weather; whereas it *ought* either to be "broad-cast" on a *wet* day, so that the nutriment contained in it may be immediately absorbed, *or* to be ploughed under as soon as spread. The salts composing the guano are of such a volatile nature, that, unless they are absorbed or covered immediately, they pass into combination with the atmosphere, to remain there until brought down by the rain; very probably at some distance from the fields where the guano was originally strewn. The Peruvians (who have used guano for 600 years) employ it chiefly for potatoes and Indian corn, and by following *their* plan, as adopted from experience, the *true* method will be discovered. A few weeks after the seeds begin to shoot, a little hollow is dug around each root or hill, and is filled up with guano, which is afterwards covered with earth. After a lapse of fifteen hours, the whole field is laid under water, and is left in that condition for some hours. In a few days the growth of the plant is doubled; and if the manuring is repeated a second time, but in smaller quantity, a rich harvest is certain; at least, the produce will be threefold that which would have been obtained from the unmanured soil. Guano contains merely the constituents of plants, and must not be regarded as a permanent manure; it lasts for the season, gives the profits at once, and then is *ended.* It acts on plants as stimulants do on mankind, minus the detrimental and demoralizing tendencies. It exhausts itself in greatly stimu-

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lating the growth of the plant, but does not exhaust or deteriorate the soil. It does not stimulate the *soil* to impart all its nourishment at once, but nourishes the plant irrespective of the soil, and with materials which the guano itself contains.

On the floor of the London Stock Exchange it is said that Lewis H. Haslewood has made between $150,000 and $250,000 by his operations in Peruvian stock; and I am sure that there is not an inhabitant of the United States who will not rejoice at it, when they know that he has always been an unflinching advocate of the honor of the States, both in their individual and Federal capacity; and even in the darkest hour, when doubt hung over the character of the "Keystone State," he urged the holders of Pennsylvania stock to *hold* their property, and not to be frightened into selling; for that, however much the American spirit might be cast down for a moment, it would yet struggle against its difficulties, and ultimately triumph. Nay, more, he has even found a good word for Michigan and Mississippi; and he expresses his opinion that a time will come when the counsels of the better — i. e. more honest — classes will prevail in those States; when justice will not be opposed by popular clamor, and when a fair investigation shall place before the citizens of Mississippi the injury which is inflicted upon their creditors and themselves; and when the stock will be recognized, and the debt and arrears of interest compounded for with the creditors. At *one* time, he was the *only man* who had the courage to speak a good word for American State credit on the London Stock Exchange.

Of course I have not dwelt upon all these details without having in view a "*practical application*" of interest to my countrymen. It will be obvious, that, if the demand for guano is so large in the United Kingdom, if it is in the hands of so wealthy and so highly respectable a house as that of Anthony Gibbs & Sons, and if the consumption of it is so regularly increasing year by year, that there must be an immense demand for *ships* to bring it in, and as the alteration of the Navigation Laws *permits American vessels to bring it from Peru to the ports of this country*, it may be worth while for the merchants of the Atlantic cities to direct the captains of their ships to put into the port of Lima, and ascertain the rate paying for freight to Liverpool, and then calculate whether it is not better to carry guano to Liverpool than to return in ballast. With such a cargo, and for such a house as Gibbs, the ugly contingency of non-payment, or loss by sea risks, is removed; while, provided the captain and Gibbs's agent can agree as to the *terms*, the cargo is sure; no waiting an uncertain and interminable time before the cargo is complete, — a "government monopoly" cargo, shipped by government agents, with government agents as charterers, and a house to secure the freight, who not only are agents of the local government, but among the first merchants of the city of London.

*** Since the above letter was commenced, and mostly written, some mistaken rumor as to a further loan being required by Peru has thrown the stock back to 74 and 32 (equal 106) but an explanation that no loan is contemplated having been made, the stock will doubtless rally.

Yours, truly,
ANGLO-KNICKERBOCKER.

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BANKRUPTCY IN FRANCE.

From the London Times.

WHATEVER the political prospects in France may become, and whatever may be the fate of the institutions which happen at this time to perform for her the functions of government and legislation, if we would form a correct opinion of the causes which have produced this excessive political instability, and which seem successively to threaten every species of government with ruin, we must look to those facts in the social condition of the people which are independent of monarchies and of republics, but do in reality render a nation loyal and contented, or dissatisfied and seditious. It is beyond our province to trace these social causes through their historical progress to all their extensive consequences; but we shall endeavour to collect from authentic sources a few of the most striking results of the laws which have been in operation for the last half-century, and these truths will, we think, suffice to account for the progress of unsettled and confused opinions amongst a large portion of the community.

The soil of France is in all respects the most important of her possessions. Property in the soil is intensely coveted by the people: the produce of the soil is the chief source of their subsistence and of her wealth; the soil is the basis upon which at least one half of the fiscal resources of the state rest; and, from the prodigious subdivision of the soil, whatever affects the landed interest affects the most numerous class in the community. Yet it is confidently asserted by the best authority, that the total annual produce of the soil of France does not amount to two millions of francs, or eighty millions sterling a year, including the rent of buildings; whilst the returns of schedule A, under the British income-tax, indicate an annual rental exceeding one hundred millions sterling. If, then, we take the landed revenue of France at eighty millions sterling, let us see to what deductions that amount is liable. In the first place, the land-tax for 1849 (including the *centimes additionels* for various purposes, some of which correspond to our country and town rates) amounted to 281 millions, or eleven millions and a half sterling, the land-tax being seldom less than one seventh, and in some departments one fifth, of the revenue. But in addition to this direct tax, land and houses contribute upwards of a million to the duty on doors and windows, upwards of five millions sterling to the dues of registration on mortgages, and another million to stamps on transfers of landed property. In round numbers, the public liabilities of the land in France, payable to the state, the department, and the parish, are certainly not overstated at twenty millions sterling. It may be added, that more than half of the dues payable on these parcels of land do not exceed five francs, and a prodigious number are less than the half-penny which is the price of the notice to the tax-payer. We assume, then, that the public charges on the land amount to one quarter of its whole value; some writers have estimated it as high as one third. But even this burden is small in comparison with private encumbrances.

On the 1st July, 1832, the sum total of registered mortgages in France

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was 11 milliards and a quarter, or 450 millions sterling; eight years later, in 1840, it had risen to 12 milliards and a half, or 500 millions sterling, the increase being at the rate of six millions sterling per annum. Since that period the complete returns are wanting; but from the regular augmentation of these transactions, it is confidently stated that the mortgage debt of the land of France had risen in 1849 to the enormous sum of 560 millions sterling; from this sum a deduction must be made of about fifty millions sterling for mortgages in the nature of securities not paying interest; but the actual sum paying interest, chargeable for the most part on the occupant of the soil, will still exceed 500 millions sterling, and as the average rate of interest on these mortgages cannot be taken at less than six per cent. (it frequently rises to ten and twelve), it can hardly be doubted that the private debts of the land, incurred, it will be remembered, since the great convulsion of 1790, constitute a charge on that property of thirty millions sterling per annum. This sum, added to the twenty millions of public taxes and dues, absorbs five eighths of the whole landed revenue of the country, and leaves the vast agricultural population of the country, including land-owners of all classes, only three eighths, or about thirty millions per annum, for their profits and subsistence.

We do not lay claim to originality in the discovery and production of these facts, which are principally taken from the writings of M. Audiffret, and M. Raudot, members of the French legislature, in full possession of authentic information. The latter of these gentlemen, whose work is the more recent of the two, has not hesitated to draw from these and similar facts the conclusion, that France is declining in all that constitutes the wealth and power of a state, — that is, declining in comparison with the steady and rapid progress of other powers. An attempt is made to dispute this conclusion by showing, as is very possible, that the positive, though not relative, progress of the French nation since the peace has been considerable; but it must be borne in mind that the evil we have especially dwelt upon — namely, the augmentation of the public burdens, and of the private encumbrances — has been going on in an accelerated proportion, during the very period — the reign of Louis Philippe — which is justly referred to as the most prosperous era in the annals of France. That is, in other words, that whilst the pyramid of the monarchy towered aloft with increasing splendor, its basis was crumbling away.

Accordingly, when the storm broke, it was immediately to questions connected with the distribution and the uses of property that men's minds were turned, and the paradoxes and fallacies which have been spread abroad on these subjects find a hearing amongst the impoverished and perplexed class of peasant proprietors. As long as their troubles increase, — as long as they are driven by their necessities to raise money on usurious terms, — as long as they are struggling to extract a scanty sustenance from the soil without capital and without skill, — as long as the foreign trade of France is circumscribed by prohibitive tariffs, and as long as their "rood of land," far from maintaining its man, falls into interminable subdivision at each succeeding generation, and passes in its totality through the coffers of the state once in every century, it is not to be expected that society in France will exhibit the cohesion and stability of a

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settled country. The profound ignorance, even amongst the more educated classes in France, of principles of political economy which are admitted in other countries as elementary truths, is perhaps the most alarming circumstance of the case; for the most enlightened government would probably find it impossible to introduce and carry out the proper remedy, and the more power the people retain, the less will their own prejudices allow their condition to be improved.

The next fatal consequence of these difficulties is their tendency to pauperize the nation, — that is, to beget an excessive reliance upon the patronage of the state, rather than upon personal exertions and individual resources. A continual distribution of upwards of half a million of posts, officers, and employments, exclusive of the army and the laborers of the state, has at once swelled the estimates to an immoderate amount, and raised amongst all ranks an intense and demoralizing competition; for in proportion as each class repels or evades the mutual discharge of duties to its superiors or dependents, it clings the closer to the emoluments and distinctions conferred by the state. So that the taint of political corruption sinks deep into society, and while one half of the nation is servile from possession, the other is factious from ambition or cupidity. We do not regard these mischievous failings as absolutely inherent in the French character, for they have not always afflicted and weakened the nation; nor are they inseparably connected with democratic institutions, for they are the very reverse of the peculiarities of the United States. But the course of events in France has combined the most jealous and destructive elements of democracy with forms borrowed from an absolute and centralized government, so that the country is made to bear all the evils of a democratic state of society, without that practical freedom which may render them endurable, whilst it retains most of the annoyances of absolute government, without that order and security which despotism ought at least to bestow.

London Money Market. — There has been no material departure from the quiet state of things reported in April and the previous month.

Money remains plentiful, and rates from 1¼ to 1¾ per cent. are given "on call." There is, perhaps, more difficulty in placing money with the brokers than was experienced during April, and we have heard of deposits being declined. The rate of discount for good paper remains at something like 2 to 2¼ per cent.

We would direct the attention of our readers to the American news from California, not with reference to the produce of the mines, but with reference to the extravagant speculations in land, commodities, and almost every conceivable article, which have apparently been set on foot. This state of things may, or may not, continue; but an explosion is not unlikely, and whenever it takes place, it will fall with no slight effect upon New York and the other Atlantic cities.

The Railway Share Market has been decidedly better during the present month. The advance of prices in some instances has been marked, and the amount of business considerable. Connected with the subject of railways is the history of the Exchange Banks, established in Scotland in 1845 and 1846, for the purpose of making advances on railway property; most of these banks have failed. We observe that one of the largest of them, the Commercial Exchange Bank, at Glasgow, held a meeting on the 22d, for the purpose of dissolving the company. The report of the investigation committee describes a loss of £134,670. — *London Bankers' Magazine, June 1st.*

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BANK STATISTICS.

CANADA.

For the following details we are indebted to a correspondent at Kingston, Canada.

STATEMENT EXHIBITING THE CIRCULATION OF, AND COIN AND DEPOSITS HELD BY, THE CANADIAN BANKS ON THE 28TH FEBRUARY, 1850, AND THEIR LAST HALF-YEARLY DIVIDEND.

NAMES OF BANKS.	*Capital.*	*Circulation.*	*Coin.*	*Deposits.*	*Dividend.*
Bank of Montreal, . . .	£750,000	£435,013	£157,706	£310,352	3 per cent.
Bank of British North America,	640,000	175,000	130,000	. . .	2½ "
Commercial Bank, . .	400,000	210,836	52,217	126,049	3 "
Bank of Upper Canada, . .	390,000	187,568	36,340	139,183	2½ "
City Bank of Montreal, .	225,000	79,742	23,872	33,808	2½ "
Quebec Bank, ...	100,000	44,325	27,401	65,938	
Banque du Peuple, . .	200,000	36,140	23,642	70,036	2½ "
Gore Bank, ...	100,000	66,353	13,538	31,159	3½ "
Total, ...	£2,805,000	£1,234,977	£464,716	£776,525	

STATEMENT OF BANK IMPOSTS PAID THE PROVINCIAL GOVERNMENT DURING THE FOUR FOLLOWING YEARS, UNDER 4 AND 5 VICTORIA, CH. 29.

BANKS.	1846.	1847.	1848.	1849.
Bank of Montreal, . .	£5,202 6 4	£5,203 15 8	£3,704 14 2	£3,598 18 1
Bank of British N. America,	2,415 1 9	2,379 5 11	2,056 8 0	1,713 16 1
Commercial Bank, .	1,785 13 8	2,069 8 7	1,731 5 10	1,580 1 11
Bank of Upper Canada, .	1,795 3 7	1,938 13 2	1,698 9 3	1,495 2 4
City Bank of Montreal,	2,269 0 0	2,111 2 1	1,425 8 2	909 15 4
Quebec Bank, . . .	741 14 3	699 7 7	577 19 10	491 9 3
Banque du Peuple, .	642 11 10	960 14 4	665 3 7	350 17 5
Gore Bank, . . .	848 9 8	823 19 10	613 12 2	603 16 10
Total, . .	£15,900 1 1	£16,186 7 2	£12,473 1 0	£10,743 17 3

LIABILITIES AND ASSETS OF THE CANADIAN BANKS ON THE 28TH DAY OF FEBRUARY, 1850.

LIABILITIES.	*Circulation.*	*Balances due to other Banks.*	*Deposits.*	*Deposits at Interest.*
Bank of Montreal, .	£435,013 0 0	£22,947 4 4	£216,349 17 10	£94,002 14 8
Commercial Bank, .	210,836 10 0	36,903 4 2	89,186 1 0	36,863 14 4
Bank of Upper Canada, .	187,568 5 0	5,205 5 10	124,385 6 8	14,798 5 8
City Bank of Montreal,	79,742 10 0	682 16 3	24,362 19 9	9,445 11 6
Quebec Bank, . .	44,325 15 0	473 7 5	46,438 3 0	19,500 0 0
Banque du Peuple, .	36,140 0 0	12,585 5 4	38,166 11 10	31,869 17 8
Gore Bank, . . .	66,353 0 0	0 0 0	18,167 0 5	12,991 14 4
Total, . .	£1,059,979 0 0	£78,797 3 4	£557,056 0 6	£219,471 18 2

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ASSETS.	*Coin.*	*Property.*	*Bank Balances.*	*Loans.*
Bank of Montreal, .	£157,706 14 6	£43,923 9 0	£93,044 13 1	£1,226,989 12 0
Commercial Bank, .	52,217 4 1	23,426 18 10	48,273 9 4	640,241 1 1
Bank of Upper Canada,	36,340 14 5	31,232 19 1	16,187 4 1	600,201 6 11
City Bank of Montreal,	23,872 4 6	9,517 16 6	1,767 13 6	232,602 2 11
Quebec Bank, . .	27,401 4 3	6,500 0 0	2,582 12 7	168,661 11 6
Banque du Peuple, .	23,641 19 6	13,570 19 2	1,820 2 9	279,261 8 11
Gore Bank, . . .	13,538 3 10	5,025 1 8	21,955 12 7	169,093 10 5
Total, . .	£334,718 5 1	£133,197 4 3	£185,631 7 11	£3,317,050 13 9

BANKS OF NEW ORLEANS, 22D JUNE, 1850.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Balances.*
Louisiana State Bank, ...	$ 1,983,040	$ 2,041,865	$ 2,920,561	$ 102,974
New Orleans Canal and Banking Co.,	3,163,750	1,422,730	918,143	412,658
Bank of Louisiana, ...	3,992,600	1,111,837	2,176,270	268,622
Mechanics and Traders' Bank, .	1,704,600	934,355	1,596,858	144,552
Union Bank, ...	2,604,000	25,835	17,976	. . .
City Bank, Charter expired 1850.				
Total, ...	$ 13,447,990	$ 5,536,622	$ 7,629,808	$ 928,806

ASSETS.	*Short Loans.*	*Specie.*	*Bank Balances.*	*Protested Paper.*
Louisiana State Bank, . . .	$ 3,490,373	$ 1,847,952	$ 100,173	$ 95,333
New Orleans Canal and Banking Co.,	1,707,477	912,544	954,355	287,338
Bank of Louisiana, . . .	1,581,522	1,510,520	1,868,969	227,845
Mechanics and Traders' Bank,	1,955,235	1,072,710	630,958	118,368
Union Bank, ...	50,320	58,954	1,128,384	289,330
Total, ...	$ 8,784,927	$ 5,402,680	$ 4,682,839	$ 1,018,214

BRANCH CAPITALS, REAL ESTATE, MORTGAGE LOANS, &c.

	Capital of Branches.	*Real Estate.*	*Loans on Stock.*	*Mortgage Loans, &c.*
Louisiana State Bank, . . .	$ 243,566	$ 158,391	$ 201,159	$ 1,417,490
New Orleans Canal and Banking Co.,	660,000	434,095	181,710	868,926
Bank of Louisiana, ...	515,118	205,560	86,800	2,538,056
Mechanics and Traders' Bank, .	230,000	146,467	116,935	444,736
Union Bank, ...	845,000	101,110	628,374	2,804,186
Total, ...	$ 2,493,684	$ 1,045,623	$ 1,214,978	$ 8,073,394

The charter of the City Bank of New Orleans expired in 1850, and its location, deposits, and general business have been assumed by the Louisiana State Bank.

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CONDITION OF THE BANKS OF OHIO, MAY, 1850.

INDEPENDENT BANKS.	*Loans.*	*Specie.*	*Due from Banks.*	*Eastern Deposits.*	*Bonds Deposited.*	*Capital Stock paid in.*	*Circulation.*	*Due Depositors.*	*Total Liabilities.*
1. Bank of Geauga,	$ 89,482	$ 18,104	$ 547	$ 19,627	$ 91,631	$ 30,000	$ 68,327	$ 25,617	$ 236,590.95
2. Canal Bank of Cleveland,	75,330	13.891	3,940	18,147	57,803	50,000	56,594	30,805	178,524.49
3. City Bank of Cleveland,	143,766	23,080	6,915	46,450	100,000	50,000	87,142	78,292	331,057.98
4. City Bank of Columbus,	432,637	39,928	76,272	66,488	213,203	145,270	194,199	250,463	886.932.72
5. City Bank of Cincinnati,	38.952	9,993	42,459	20,019	50,000	49,800	45,885	6,122	163,924.71
6. Commercial Bank of Cincinnati,	422,038	19,375	10,246	34,854	54,000	50,000	27,289	384,726	610,882.97
7. Dayton Bank,	269.682	85,419	10,374	8,672	183,192	91.790	164,949	139,842	594,018.46
8. Franklin Bank of Zanesville,	212,450	34,471	3,617	21,920	168,405	100,000	135,798	69,719	497,216.06
9. Sandusky City Bank,	149,886	7,576	15,236	9,249	53,066	55,000	50,225	78,175	287,450.54
10. Seneca County Bank, Tiffin,	78,296	13,987	13,896	14,800	90,000	30,000	90,013	14,861	236,815.22
11. Western Reserve Bank,	227,065	45,555	11,066	20,821	166,158	60,000	157,581	59,989	484,616.94
Total of Independent Banks,	$ 2,139,588	$ 311,295	$ 194,572	$ 281,052	$ 1,227,460	$ 711,860	$ 1,078,002	$ 1,138,616	$ 4,508,031.04
BRANCHES OF STATE BANKS.					*Safety Fund.*				
1. Athens Branch, Athens,	$ 175,163	$ 28,117	$ 3,768	$ 14,929	$ 13,000	$ 64,350	$ 122,905	$ 36,403	$ 241,596.00
2. Akron Branch,	243,361	41,272	3,528	35,953	20,000	100,000	198,536	48,132	358,509.11
3. Belmont Branch, Bridgeport,	227,369	42,358	12,312	25,418	20,000	100,000	189,222	33,298	335.350 42
4. Chillicothe Branch,	636,123	88,153	14,369	64,702	41,250	250,000	373,409	192,637	863,758.24
5. Commercial Branch, Cleveland,	464,037	77,922	28,680	24,300	31,250	175,000	282,491	151,204	659,103.79
6. Commercial Branch, Toledo,	376,281	52,136	26,886	12,793	27,500	150,000	260,002	45,321	524,402.18
7. Dayton Branch,	307,198	70,392	17,355	8,941	30,599	190,960	195,891	59,313	474,529.52
8. Delaware County Branch, Delaware,	185,493	62,564	9,294	27,762	18,400	93,334	167,996	43,512	324,614.83
9. Exchange Branch, Columbus,	232,578	69,149	4,248	50,608	23,750	125,000	176,728	59,965	395,532.64
10. Farmers' Branch, Ashtabula,	214,511	50,238	659	17,535	20,000	100,000	189,343	21,537	320,867.44
11. Farmers' Branch, Mansfield,	173,915	36,240	2,642	12,959	14,246	73,680	131,167	20,614	248,708.25
12. Farmers' Branch, Ripley,	204,087	40,100	3,169	34,105	20,000	100,000	177,154	22,892	312,388.91
13. Farmers' Branch, Salem,	253,340	44,392	3,870	16,029	20,000	100,000	198,056	31,309	349,273.57
14. Franklin Branch, Columbus,	352,590	95,579	2,301	18.411	31,250	175,000	250,342	55,829	510,307 59
15. Franklin Branch, Cincinnati,	490,091	46,327	139,247	37,739	30,000	169,000	164,138	405,610	821,823.26
16. Guernsey Branch, Washington,	150,979	44,564	3,498	20,352	16,000	90,000	160,000	9,985	267,283.20
17. Harrison County Branch, Cadiz,	229,424	61,012	5,927	18,821	20,000	100,000	199,863	27,977	340,104.73

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18. Hocking Valley Branch, Lancaster, .	267,797	49,897	1,441	12,841	20,000	100,000	200,000	26,691	367,485.96
19. Jefferson Branch, Steubenville, .	231,627	68,234	24,714	2,920	20,317	100,000	177,667	77,158	376,506.78
20. Knox County Branch, Mt. Vernon, .	255,571	51,128	3,773	24,359	20,000	100,000	197,117	45,047	363,214.53
21. Licking County Branch, Newark, .	169,878	40,901	7,242	11,517	16,240	81,300	161,562	2,228	261,687.71
22. Logan Branch, Hocking County, . .	117,925	25,921	7,141	8,845	10,100	50,680	97,257	16,559	171,344.15
23. Lorain Branch, Elyria, ...	135,083	40,499	503	14,142	13,800	71,405	114,003	22,508	220,880.85
24. Mad River Valley Branch, Springfield,	268,812	42,919	11,623	18,530	20,000	100,000	173,034	74,716	372,500.95
25. Marietta Branch, ...	270,895	40,728	14,062	36,879	20,000	100,000	198,391	58,348	394,138.00
26. Mechanics and Traders' Branch, Cin.,	262,773	43,304	13,475	15,460	17,000	100,000	129,475	118,081	418,496.45
27. Merchants' Branch, Cleveland, . .	347,242	57,748	11,130	14,689	32,650	125,000	234,637	82,017	488,467.52
28. Miami County Branch, Troy, . .	165,724	51,792	9,168	7,641	15,891	79,794	150,032	16,591	259,350.42
29. Mt. Pleasant Branch, Mt. Pleasant, .	216,136	54,751	6,530	9,975	20,000	100,000	188,104	19,745	319,130.89
30. Muskingum Branch, Zanesville, .	184,326	40,158	8,384	15,786	17,986	94,700	153,079	52,013	312,952.73
31. Norwalk Branch, ...	270,760	45,141	17,031	9,438	21,816	112,885	208,183	29,906	381,413.54
32. Piqua Branch, ...	164,647	41,848	21,101	9,049	17,996	85,667	167,232	29,154	294,454.88
33. Portage County Branch, Ravenna, .	228,492	43,044	2,051	29,049	20,450	103,000	202,956	21,891	339,269.54
34. Portsmouth Branch, Portsmouth, .	287,157	46,463	12,195	16,282	20,000	100,000	170,327	93,793	397,210.95
35. Preble County Branch, Eaton, . .	192,047	80,227	22,197	5,232	20,000	100,000	172,751	41,208	327,689.64
36. Ross County Branch, Chillicothe, .	382,836	55,044	7,390	29,504	27,500	150,000	265,090	90,629	520,444.21
37. Summit County Branch, ...	197,154	45,396	4,233	4,162	20,000	100,000	198,641	8,112	314,127.44
38. Toledo Branch, Toledo, ...	219,091	37,135	13,384	26,407	24,575	130,500	228,847	10,346	470,638.94
39. Union Branch, Massillon, ...	379,850	52,109	3,851	36,642	27,500	150,000	269,614	58,462	519,207.59
40. Wayne County Branch, Wooster, .	131,092	49,282	1,105	16,087	12,000	60,000	119,506	30,606	220,581.07
41. Xenia Branch, Xenia, ...	282,657	62,528	15,816	19,211	27,500	150,000	214,299	70,629	452,863.35
Total of State Branches, . .	$ 10,546,088	$ 2,116,732	$ 521,311	$ 836,026	$ 880,568	$ 4,601,256	$ 7,829,052	$ 2,361,988	$ 15,912,211.77
OLD BANKS.									
1. Bank of Circleville, ...	$ 400,712	$ 72,222	$ 6,975	$ 71,000	. . .	$ 200,000	$ 290,274	$ 25,556	$ 574,934.45
2. Clinton Bank of Columbus, . .	568,366	105,329	9,622	99,908	. . .	300,000	516,484	74,757	1,017,976.87
3. Lafayette Bank of Cincinnati, . .	1,165,399	54,234	66,737	3,192	. . .	700,000	142,762	290,443	1,532,293.16
4. Bank of Massillon, ...	370,628	77,592	3,463	88,533	. . .	200,000	323,338	33,664	584,356.72
5. Ohio Life Insurance and Trust Co., .	1,138,519	8,062	59,592	. . .	. . .	611,226	4,550	526,553	1,550,465.45
Total of Old Banks, . . .	$ 3,643,626	$ 317,442	$ 146,391	$ 262,634	. . .	$ 2,011,226	$ 1,277,408	$ 950,975	$ 5,260,026.65

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BANKS OF OHIO, 1850.

RESOURCES.	Eleven *Independent.*	Forty-one *State Branches.*	Five *Old Banks.*	57 Banks. *Total.*
Loans,	$ 2,139,588	$ 10,546,088	$ 3,643,626	$ 16,329,302
Specie on hand,	311,295	2,116,732	317,442	2,745,469
Notes of other Banks,	225,890	619,842	411,052	1,256,784
Bank Balances,	194,573	521,312	146,391	862,276
Eastern Deposits,	281,052	836,027	262,635	1,379,714
Cash Items,	1,172	34,961	8,094	44,227
State Bonds,	1,227,460	880,568	. . .	2,108,028
Real Estate,	65,412	204,119	153,433	422,964
Miscellaneous,	61,588	152,561	317,354	531,503
Total,	$ 4,508,030	$ 15,912,210	$ 5,260,027	$ 25,680,267

LIABILITIES.	*Independent.*	*State Banks.*	*Old Banks.*	*Total Liabilites.*
Capital paid in,	$ 711,860	$ 4,601,256	$ 2,011,226	$ 7,324,342
Circulation,	1,078,002	7,829,052	1,277,408	10,184,462
Safety Fund,	1,155,570	49,500	. . . .	1,205,070
Bank Balances,	104,943	408,282	572,403	1,085,628
Individual Deposits,	1,138,617	2,361,998	950,976	4,451,591
Surplus Fund,	92,033	289,086	288,746	669,865
Bills Payable,	118,998	163,958	88,488	371,444
Discounts, Interest, &c.,	8,940	3,784	45,313	58,037
State Tax, 6 months,	3,276	21,340	1,400	26,016
Dividends Unpaid,	50,398	149,915	21,432	221,745
Miscellaneous,	45,393	34,038	2,636	82,067
Total Liabilities,	$ 4,508,030	$ 15,912,210	$ 5,260,027	$ 25,680,267

COMPARATIVE VIEW OF THE OHIO BANKS, 1847 – 1850.

LIABILITIES.	*May*, 1847.	*May*, 1848.	*August*, 1849.	*May*, 1850.
Capital paid in,	$ 5,071,729	$ 6,654,418	$ 7,029,187	$ 7,324,342
Circulation,	7,281,029	9,166,680	9,863,679	10,184,462
Deposits,	3,356,837	4,170,360	4,369,635	4,451,591
Safety Fund,	806,000	1,091,212	1,143,119	1,205,070
Surplus Fund,	269,004	485,430	530,876	669,865
Time Drafts,	. . .	. . .	182,352	371,444
Profits,	. . .	. . .	254,504	58,037
Bank Balances,	1,051,860	980,170	1,291,291	1,085,628
Miscellaneous,	492,260	430,656	85,181	329,828
Total Liabilities,	$ 18,328,719	$ 22,978,926	$ 24,749,824	$ 25,680,267

RESOURCES.	*May*, 1847.	*May*, 1848.	*August*, 1849.	*May*, 1850.
Loans,	$ 10,936,661	$ 13,678,848	$ 14,443,843	$ 16,329,302
Specie on hand,	2,026,551	2,900,700	3,209,920	2,745,469
Notes of other Banks,	1,081,561	1,259,437	1,811,067	1,256,784
Eastern Deposits,	1,262,166	1,536,584	1,507,202	1,379,714
Bank Balances,	519,868	920,162	799,687	862,276
State Bonds deposited,	1,170,270	1,799,451	1,975,500	2,108,028
Cash Items,	. . .	. . .	153,524	44,227
Real Estate,	. . .	. . .	307,854	422,964
Miscellaneous,	1,331,642	833,744	541,227	531,503
Total Resources,	$ 18,328,719	$ 22,978,926	$ 24,749,824	$ 25,680,267

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PUBLIC DEBT OF TEXAS.—The statement on page 6, in reference to the Public Debt of Texas, copied from the Journal of Commerce, is manifestly erroneous in its aggregate. We have, therefore, procured from an authentic source the following abstract of the Auditor and Comptroller's Report of that State, which we now publish for the information of those who take an interest in this subject. — ED. B. M.

Austin, December 27, 1849.

TO THE HONORABLE LEGISLATURE OF THE STATE OF TEXAS: —

In conformity to the requirements of "An act to provide for ascertaining the debt of the late Republic of Texas," approved 20th March, 1848, we respectfully submit the following report, exhibiting the amount, character, and classification of the claims filed and receipted for by us under the provisions of said act.

Character of liabilities receipted for.	*Ostensible.*	*Rate.*	*Par value.*
FIRST CLASS, *Consisting of audited or ascertained claims.*			
Ten per cent. Consolidated Fund, created by act of June 7th, 1837,	$ 551,287.69		$ 385,901.38
Ten per ct. Consolidated Fund, created by act of June 7th, 1837, issued under act for relief of S. Swartwout and others,	6,363.50	at 100c	6,363 50
Ten per cent. Stock, created by act of 5th February, 1840,	652,400.00	at 30c	195,720.00
Eight per cent. Stock, created by act of 5th February, 1840,	22,780.00		6,834.00
Eight per cent. Treasury Bonds, created by act of 5th February, 1840,	642,000.00	at 20c	128,400.00
Ten per cent. Treasury Notes, 1st issue, 9th June, 1837,	31,980.00	at 100c	31,980.00
Ten per cent. Treasury Notes, 2d issue, 9th June, 1837,	286,272.00	at 50c	143,136.00
Treasury Notes, without interest, 19th January, 1839,	1,514,701.00	at 25c	378,675.25
Audited paper,	50,336.38	various	46,791.98
Bonds issued by Messrs. Austin and Archer, Commissioners,	3,520,000	at 100c	3,520.00
Bonds issued by the Commissioners, under the several acts authorizing the negotiation of a loan of $ 5,000,000,	653,287.00	various	497,953.50
Advances made by L. S. Hargous and G. B. Lamar,	10,680.00	at 100c	10,680.00
Total ostensible, and par principal,	$ 4,425,607.57		$ 1,835,955 61
Total ostensible, and par interest,	2,300,325.80		1,185,081.35
Ostensible and par, principal and interest,	$ 6,725,933.37		$ 3,021,035.96
SECOND CLASS, *Consisting of claims sufficiently authenticated to admit them to audit, under the laws of the late Republic.*			
Amount filed and receipted for,	171,330.62		113,657.12
Estimated amount on file not acted on,	100,000 00		100,000.00
Amount audited by special acts of the last Legislature,	72,077.15		72,077.15
Total amount,	$ 343,407.77		$ 285,734.27
THIRD CLASS, *Consisting of claims sufficiently authenticated to authorize their being audited, under the laws of the late Republic.*			
Amount filed and receipted for,	44,136.29		44,136.29
Estimated amount on file not acted on,	100,000.00		100,000.00
Total amount,	$ 144,136.29		$ 144,136.29

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RECAPITULATION.

	Ostensible.	*Par Value.*
First class,	$6,725,933.37	$3,021,036.96
Second class,	343,407.77	285,734.27
Third class,	144,136.29	144,136.29
Total,	$7,213,477.43	$3,450,907.52

From the foregoing statement, it will be perceived that the entire amount of claims filed, including interest on all liabilities stipulated to bear interest, amounts to $7,213,477.43, and, according to the value we have assigned them, they were worth to the government $3,450,907.52 in par funds.

Supposing that all the claims against the late government, as shown by the official records, including the amount of supposed unaudited claims outstanding, had been filed as required by law, and assigning each class of those not filed the same equivalent value we have to those filed, the debt would then be as follows: —

	Ostensible.	*Par value.*
1st class claims filed, including interest,	$6,725,933.37	$3,021,036.96
2d " " "	343,407.77	285,734.27
3d " " "	144,136.29	144,136.29
Claims not filed,	3,842,217.28	2,149,788.49
Total, including amount filed and *not* filed,	$11,055,694.71	$5,600,696.01

(Signed,) JNO. M. SWISHER, *Auditor.*
JAMES B. SHAW, *Compt.*

CHRONICLES OF THE STOCK EXCHANGE.

BY JOHN FRANCIS.

Dedicated by permission to Samuel Gurney, Esq., comprising sketches of Loans, Lotteries, Life Assurance, Tontines, Bribery, Corruption, Contractors, Railways, Samson Gideon, Abraham Goldsmid, Mark Sprot, Sir Francis Baring, David Ricardo, Francis Baily, Nathan Meyer Rothschild, Greek Loan and Joseph Hume, Poyais Loan and Gregor McGregor, Frauds, Forgeries, Anecdotes, and Legends.

"Mr. Francis has fulfilled, — and most admirably fulfilled, — the title of his book." — *London Atlas.*

CHAPTER XVIII.

Life Assurance. — Its Benefits. — Its Commencement. — Suicide of an Insurer. — Insurance of Invalid Lives. — The Gresham. — The West Middlesex Delusion.

THE day on which the first life-assurance office was established is worthy of remembrance by the great mass of the middle class. Faulty in construction, and erroneous in detail, it was the enunciation of a great principle, the birth of a great blessing. Innovations were not made in the eighteenth, any more than in the nineteenth century, however, without opposition; and when, in 1706, the Amicable commenced business, prophets were plentiful in declaring it must fail, while others announced that it would open the door to gambling, and was flying in the face of Providence. But the excellence of the principle triumphed; and, although one uniform rate prevailed for the sick and for the sound, for the old and for the young, the Amicable succeeded. The pale face of the

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invalid was no objection; the purple hue of him who fared sumptuously was no preventive. The man on the brink of the grave, and the youth on the verge of manhood, paid the same premium; and for £5 per cent. per annum, and £7 10*s.* per cent. entrance-money, every one was enabled to insure his life. Such was the primitive plan of the first life association.

The London Assurance and Royal Exchange corporations followed, in 1720. In 1762, the Equitable was established; and, although a trifling progress was made, the clumsy plan of equal payments, without reference to years, was perpetuated, and five per cent. paid by all. When, however, the rates were varied in proportion to age, when sick men were rejected, and only the healthy taken, a step was made in the right direction; and life assurance began to flourish with a vigor which astonished even its promoters.

It is believed that England is the only state in which the insurance of lives has never been prohibited. The Dutch, a commercial people, refused to legalize it until a recent period; and in France it was long deemed unlawful, "because it is an offence against public decency to set a price upon the life of a freeman, which is above all valuation." Another great objection was the fear that individuals might destroy themselves to enrich their families; and though this exaggerated view of the case is provided for in modern policies, yet the following anecdote will prove that the fear was not altogether groundless. So early as the middle of the eighteenth century, the clause which excluded the representatives of suicides from a participation in the amount insured excited attention; and an office was established, which, for a corresponding increase of premium, paid the amount to the relatives of the self-murderer. One man, deeply in debt, wishing to pay his creditors, and not knowing how, went to the office, insured his life, and invited the insurers to dine with him at a tavern, where several other persons were present. After dinner he rose, and addressing the former, said, "Gentlemen, it is fitting you should know the company you have met. These are my tradesmen, whom I could not pay without your assistance. I am greatly obliged to you; and now ——" Without another word he bowed, pulled out a pistol, and shot himself.

The number of insurances was, at first, necessarily very limited; the mode in which the directors transacted business, the premiums they required, the determination to take none but lives which were almost faultless, the pernicious plan of occasionally resisting the payment of policies, the absence of much opposition, all tended to reduce the business. When, however, the capital of the country increased, and men looked earnestly about them for new modes of investment, the profits and the principles of life assurance were anxiously investigated, its demands inquired into, its difficulties overcome; and though from 1706 to 1806 nine offices had been found sufficient, yet from 1806 to 1846 the desire spread so rapidly, that no less than one hundred and eleven were established. In 1820, there were only twenty offices in the United Kingdom; in 1830, their number was exactly doubled; in 1840, they had again doubled; and from 1840 to 1845, they increased in the same proportion.

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The success which has attended these companies has induced capitalists to invest their money in similar schemes, and the result has been, that during every period of excitement new associations have been started, with new claims to patronage. Those claims were put prominently forward to benefit themselves; and life assurance companies cannot greatly benefit their promoters without benefiting others. The constant advertisements, the names of their directors, the statement of their terms, the peculiarity of their constitution, pressed upon general attention, the public mind gradually became possessed with the idea that life insurances were for every class, and business increased. Every objection was met, every demand grappled with; and there is now, probably, not a man in London who cannot, in a smaller or greater degree, provide for those he may leave behind. The principal offices were proprietary; and the entire gain went to the shareholder. But the insurers began to see that the profits made by a corporation might as well be made by themselves; and companies which joined the proprietary with the participating principle followed. Another movement was that which divided the entire profits among the assured, reducing the premium as the company prospered; and so thoroughly is the value of life understood, that a society, commencing on this plan, with fair premiums and fair management, is as safe as a company with a capital of half a million.

But there were other difficulties to be met, as a pernicious plan obtained of disputing the payment of policies when the life fell in, on trivial and often unjustifiable grounds; the advantages of the system being greatly reduced owing to the desire for gain of the proprietary offices. To meet this, a society is now established, termed the Indisputable, which holds the policy inviolable when once granted.

There still remained one class for whom life assurances were unavailing. The anxiety for profits of the companies, the determination to divide good dividends, the extreme desire to take none but unexceptionable lives, produced an evil, at first view, irremediable. The stringent regulations, the declarations required, the personal examination, and the private inquiry, produced an unhappy effect. Average lives were declined, and for him whose health was not perfect, there was no chance. The healthy, but nervous man, whose pulse, when examined, beat like a steam-engine, was very often refused; and stories of rejected applicants, which speak volumes, are prevalent. One gentleman was declined because he was deaf, as he ran more risk of being run over. Another was refused because he had been three times bankrupt, and his system might have suffered. A third was too full of health, and might die of apoplexy. A fourth was deficient, and might die of decline. The old companies were absolutely determined to take no life but what was unexceptionable. The consequence was, that men in rude, robust health, if blind in one eye, or deaf with one ear, were often rejected; and there are innumerable instances of the refused party living to a good old age; while cases are not wanting, in which, after outliving doctor, actuary, and half the board of directors, the very man who, thirty years before, was refused at any price, was gladly taken by the same company at the ordinary premium.

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The possessor of sound health, who has provided for his family, cannot comprehend the misery occasioned to the invalid by the conviction that his application will be rejected; and in a country where men labor long in an impure atmosphere, there are too many whose lives are early damaged. To these, every allusion to life assurance was an agony; and it is difficult to enter thoroughly into the distress of him who knew he would die penniless, when a sudden sickness possessed him. Unnerved both mentally and physically, he saw his last hour approach. Loathing the trifling luxuries which sustained him, because they would impoverish his family; dreading the footsteps of the physician, as he thought of his fee; the love of his wife was no comfort, the voices of his children no pleasure; for he knew that his death would leave them to public or private charity. Such was the position of the individual rejected by a life office.

But even this want has been responded to. Many offices now profess to take invalid lives at an increased premium; and two are really devoted to this particular risk. The Invalid and Medical Life Assurance Company first began, and was successful; and the Gresham, lately established, has proved that the class for which it is specially intended is numerous. Much may depend upon the judgment of the medical officer; but so great is the anxiety to insure, that the premium is of less importance to the insured than in ordinary cases, and the office is able to protect its interest. The idea has been supported and approved by actuaries generally. The success of the Gresham is a proof of its merit. Every man of feeling must cordially agree in the principle; and the speech of Mr. Marshall, cashier to the Bank of England, is one of many proofs that the insurance companies, a quarter of a century ago, were ignorant of their own interests.*

"I myself," said that gentleman, "fell under the class of declined lives, and for the whole of my life have been deprived of the advantages which are offered by life assurances. One-and-thirty years ago, I had the misfortune to break a bloodvessel in my lungs, and had I proposed to any office, that fact, as an honest man, I must have stated, and that statement would have caused my rejection. From that time to this I have enjoyed perfect health, and I stand before you this evening, a strong and healthy man, a living example of the value of this society, and I present to you a fact, to show that this is likely to be a profitable investment."

Another society deserves notice, from its admirable plan of uniting a benevolent principle with the benefit derivable from life assurance, and from its addressing a class, to the families of which life assurance is the only barrier against absolute poverty. That class has been hitherto but little thought of, though there is none on whom it would be better be-

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* The writer can add his personal testimony to the necessity of some such office. Twenty years ago, he suffered similarly to Mr. Marshall, and has since been debarred from the benefit of life assurance, although in possession of good average health. There are a thousand other cases; and the fact that the Gresham gradually increases in business, and has in the first year granted policies to the amount of £150,000, producing nearly £6,000 yearly, is very suggestive of the public requirements. The fact, also, that in such a company no death has occurred during the first twelve months, is honorable to the skill of its medical officer.

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stowed, than on the clerks of England. Industrious, faithful, and intelligent, they are almost compelled, by virtue of their position, to maintain an appearance beyond their means. With incomes which just enable them to pay their debts, and which provide for no contingencies, they are to a great degree incapacitated from insuring their lives; and solacing themselves, therefore, with the idea that a small insurance would be of no avail, they feel that they cannot afford a great one. To this class, therefore, a society which specially provides for its wants is a great benefit; and a kindly feeling between the clerk on the one side, and his superior on the other, is encouraged, to the advantage of both, through the Provident Clerks' Mutual Life Assurance Association.

Many instances might be given of the value of this society; and the writer trusts that the few lines in which he has honestly and earnestly indulged, for the sake of pointing attention to those offices which he deems deserving notice, may be regarded in the light in which they are written.

The cause of life assurance has occasionally received severe blows; and though, perhaps, less fraud has been attempted in these than in other companies, yet there is one instance of deception, so boldly planned and so successfully executed, as to stand out in strong relief in the history of life assurance.

About the year 1837, the provincial papers were filled with advertisements, drawing attention to the peculiar claims of the Independent West Middlesex Life and Fire Assurance Company. Its capital was stated to be one million; it was declared to be a legal corporation; and Acts of Parliament, dated from 1696, were boldly quoted. Cautiously did the promoters proceed in the metropolis, where they did not at first advertise, contenting themselves with establishing agencies in various parts of the country, and publishing advertisements in country papers. An imposing array of names as directors, declared to be of the first character and respectability, was promulgated; and when such names as Drummond and Perkins appeared in the list, the uninitiated believed the one to be the great banker, and the other the rich brewer, bearing the same names. To add to the delusion, the Bank of England was advertised as their bankers; and when they opened handsome premises in London, Dublin, Edinburgh, and Glasgow, the minds of the many were thoroughly deluded. Some notion may be formed of their intention from the fact, that they not only insured lives on smaller premiums than other offices, but gave larger annuities for smaller sums. According to their tables, a man of thirty, by paying £100, could obtain £8 yearly, and could insure his life at £1 15*s*. per cent.; thus making a clear interest of £6 5*s*. per annum.

The deed of the company — for, strange to say, it had a deed — was signed by any one who chose; and the law-stationer applied indiscriminately to all who came near him. Any one who asked for a situation was made a governor. A schoolmaster, who requested a clerkship, was made a director. An errand-man was employed as manager. A boy of sixteen was appointed to a seat at the board. One director had been tapman to a London tavern; another had been dismissed from his employ

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as a journeyman bell-hanger; a third had been a gentleman's servant; all had orders to dress well, to place rings on their fingers, and adorn their persons with jewelry; fines being instituted if they omitted to wear the ornaments provided.

The advertisements which blazoned the pretensions of the company, the puffing to which they resorted, the declaration that they had taken £40,000 in one year, together with the terms they offered, attracted that numerous class determined to get every thing cheap. Premiums to a large amount were procured by them, and they prospered.

The attention of the established assurance offices had long been drawn to these transactions; and it was known that a great crash must one day come; but they had not sufficient courage to declare the iniquity. It was left, therefore, to individual energy to expose their doings, and to individual resources to support the consequences. In March, 1839, Mr. Peter Mackenzie, editor and proprietor of the *Scotch Reformers' Gazette*, having investigated the question, and made careful inquiries which satisfied him of the nature of the company, commenced a series of articles in that paper, warning the public against transacting business with them. The task was difficult and dangerous; but it was boldly met, and skilfully supported. The following extracts from the journal of Mr. Mackenzie will show the earnest spirit in which he grappled with his task:—

"In a word, we raise our voice and warn the public to beware of this so-called Independent West Middlesex Insurance Company." "It is a false and fictitious company." "No better than a parcel of tricksters in London, disowned, repudiated, or condemned by every respectable person." "Will the mere statement of a parcel of swindlers in their own favor entitle them to public favor, or secure public confidence?" "Nor shall we rest contented till we chase them out of every town and city in her Majesty's dominions, or till they are fairly seized by the strong arm of justice." "We defy the confederated band of swindlers, from the highest to the lowest."

The wild fury of Mr. Mackenzie's opponents may be conceived. They declared him to be a false and malicious calumniator. They published counter-statements, assumed the aspect of injured and of innocent men, and instituted separate actions against him for £12,000 damages. One of the agents had been in London, and had the audacity to state, on his return, that the deputy-governor of the Bank of England had personally assured him of the respectability of the association. Mr. Mackenzie, however, procured and published a denial from that gentleman; and this increased the hatred of the accomplices. Two thousand pounds were placed at the disposal of their law agents, to destroy Mr. Mackenzie, who appears to have been one of those not easily moved from a righteous purpose. He continued his articles, he continued to warn the public; and though, when the actions brought against him in 1839 were dismissed in 1840, they raised new suits, he persisted in his bold defiance, and did not hesitate one moment in the task he had undertaken. They could not, however, long conceal their practices; and one fine morning, the entire gang absconded, taking with them from the premises every article of furniture, after having realized, in four years, a booty of £250,000.

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The distress which pervaded the middle and the lower classes was great. Applications to magistrates were frequent. Aged men, who had invested their all, went to the workhouse; servants, who had bought annuities with the savings of a life, were obliged to commence anew. Parents, who imagined they had provided for their children, were half broken-hearted. Day by day brought some new case, and day by day evinced the importance of being contented with a fair and legitimate percentage.

There is no knowing to what extent the evil might have reached had not the boldness of Mr. Mackenzie induced him to attack the Independent West Middlesex Company. The longer such an association lasts, the more numerous are its constituents; and to the above gentleman the thanks of the entire country are due, for performing, at a personal risk, and at a personal sacrifice of £700, a great public service.

The following extract from a letter, evincing the amenity of disposition and choice of language of the person who conducted the delusion, may prove an interesting close to the above narrative: —

"Thou art a scoundrel, and thy son no better. I give you and your lying rascal of a —— notice, that if you or he should dare to publish any slander relative to my character, I shall instruct my solicitor to prosecute you, perjured scoundrel. You base wretch, swear against your own handwriting! What! swear you never borrowed any money of me for the office. O wicked wretch! I have your signature, and my solicitor has seen it. Base, base, base, base! Hang thyself with thy friend!

"P. S. I have heard you have again plundered the office. O, how many times, you wretch!"

History of the Bank of England. — "This is a most acceptable addition to banking literature. An accurate and impartial narrative of the principal events connected with the most important banking institution in the world, has long been wanted; and Mr. Francis seems to have produced a book exactly of the kind required. The history he has written is as interesting as a fairy tale; he has done what Johnson said Goldsmith could do, and he has done it well. He has also brought together into these two volumes an immense amount of reading. Every page contains something curious, or worthy of being remembered, and yet he has never forgotten that he was writing a history. Mr. Francis has executed his task in a most satisfactory manner, and has produced a book which must have a place in every gentleman's library in the kingdom. We recommend it to the banking profession as a work which they will find extremely useful for reference, very interesting for reading, and very valuable for the care and ability with which it has been prepared." — *London Bankers' Magazine.*

"We write now, not for the present moment, but for all time; and we do not hesitate to assert, that no one who takes an interest in monetary questions can safely dispense with the study of Mr. Francis's volumes, replete as they are with important facts, lucidly arranged and traced to their consequences with a sobriety of logic all too rare in such investigations." — *Fraser's Magazine.*

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THE

ANATOMY OF EXCHANGE ALLEY;

OR,

A SYSTEM OF STOCK-JOBBING:

PROVING THAT SCANDALOUS TRADE, AS IT IS NOW CARRIED ON, TO BE KNAVISH IN ITS PRIVATE PRACTICE, AND TREASON IN ITS PUBLIC.*

THE general cry against stock-jobbing has been such, and people have been so long and so justly complaining of it as a public nuisance, and, which is still worse, have complained so long without a remedy, that the jobbers, hardened in crime, are at last come to exceed all bounds, and now, if ever, sleeping justice will awake, and take some notice of them, and if it should not now, yet the diligent creatures are so steady to themselves, that they will, some time or other, make it absolutely necessary to the government to demolish them.

I know they upon all occasions laugh at the suggestion, and have the pride to think it impracticable to restrain them; and one of the top of the function the other day, when I casually told him that, if they went on, they would make it absolutely necessary to the legislature to suppress them, returned, that he believed it was as absolutely necessary for them to do it now as ever it could be. But how will they do it? It is impossible, said he; but if the government takes credit, their funds should come to market; and while there is a market, we will buy and sell. There is no effectual way in the world, says he, to suppress us but this, viz., that the government should first pay all the public debts, redeem all the funds, and dissolve all the charters, viz. Bank, South Sea, and East India, and buy nothing upon trust, and then, indeed, says he, they need not hang the stock-jobbers, for they will be apt to hang themselves.

I must confess, I in part agree that this is an effectual way; but I am far from thinking it the only way to deal with a consideration of usurers, who, having sold the whole nation to usury, keep the purse-strings of poor and rich in their hands, which they open and shut as they please.

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* The above tract appeared in 1719.

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But before I come to the needful ways for restraining those people, I think it will be of some service to expose their practices to common view, that the people may see a little what kind of dealers they are.

And first, they have this peculiar to them, and in which they outdo all the particular pieces of public knavery that ever I met with in the world, viz., that they have nothing to say for it themselves; they have, indeed, a particular stock of hardware, as the braziers call it, in their faces, to bear them out in it; but if you talk to them of their occupation, there is not a man but will own it is a complete system of knavery; that it is a trade founded in fraud, born of deceit, and nourished by trick, cheat, wheedle, forgeries, falsehoods, and all sorts of delusions; coining false news, this way good, that way bad; whispering imaginary terrors, frights, hopes, expectations, and then preying upon the weakness of those whose imaginations they have wrought upon, whom they have either elevated or depressed. If they meet with a cull, a young dealer that has money to lay out, they catch him at the door, whisper to him, "Sir, here is a great piece of news, it is not yet public, it is worth a thousand guineas but to mention it; I am heartily glad I met you, but it must be as secret as the black side of your soul, for they know nothing of it yet in the coffee-house; if they should, stock would rise ten per cent. in a moment, and I warrant you South Sea will be 130 in a week's time after it is known." "Well," says the weak creature, "pr'ythee, dear Tom, what is it?" "Well, really, Sir, I will let you into the secret, upon your honor to keep it till you hear it from other hands; why, it is this,—the Pretender is certainly taken, and is carried prisoner to the castle of Milan; there they have him fast. I assure you, the government had an express of it from my Lord St——s, within this hour." "Are you sure of it?" says the fish, who jumps eagerly into the net. "Sure of it! why, if you take your coach and go up to the secretaries' office, you may be satisfied of it yourself, and be down again in two hours, and, in the mean time, I will be doing something, though it is but little, till you return."

Away goes the gudgeon with his head full of wildfire, and a squib in his brain, and, coming to the place, meets a croney at the door, who ignorantly confirms the report, and so sets fire to the mine; for, indeed, the cheat came too far to be balked at home; so that, without giving himself time to consider, he hurries back full of the delusions, dreaming of nothing but of getting a hundred thousand pounds, or purchase two; and even this money was to be gotten only upon the views of his being beforehand with other people.

In this elevation he meets his broker, who throws more fireworks into the mine, and blows him up to so fierce an inflammation, that he employs him instantly to take guineas to accept stock of any kind, and almost at any price; for the news being now public, the artist made their price upon him. In a word, having accepted them for fifty thousand pounds more than he is able to pay, the jobber has got an estate, the broker two or three hundred guineas, and the esquire remains at leisure to sell his coach and horses, his fine seat and rich furniture, to make good the deficiency of his bear-skins; and, at last, when all will not go through it, he must give them a brush for the rest.

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There are who tell us, that the Exchange Alley improvements made upon the news of the Pretender's being taken, were part of the plot, that the late Earl of Mar having concerted the voyage of Voghera, and how and in what manner the report of the Pretender's being there should spread, who it should amuse, and how at one blow it should spread east to Vienna, and northwest to Paris, and so on, forgot not to contrive it, as at once should serve political ends in Italy and at Vienna: so, on the other hand, it should not fail to serve a private view in Exchange Alley; and, at the same time that he deceived some of the Whigs who he owed a large grudge to for shrewd turns at Preston and Dumblain, he might also raise a tax upon them towards the incident changes of his wandering circumstances.

I do not aver this story to be true, but the concert is so exact, and the nature of it so agreeable to the stock-jobbing art, nay, and to the artists also, whose correspondents are very punctual, especially since it is said that Mr. T——'s chief agent was formerly my Lord M——r's broker; that I won't affirm it may be true; but this I will venture to say of it, that if we are often served thus, the Pretender may very easily raise a hundred thousand pounds a year in Exchange Alley, for the carrying on an invasion, and lay the tax wholly upon his enemies the Whigs, which, by the way, I leave them to consider of.

But now that I make good the charge, viz., that the whole art and mystery is a mere original system of cheat and delusion, I must let you see, too, that this part of the comedy may be very well called, "A Bite for the Biter," for which I must go back to the broker and his gudgeon; the moneyed gentleman finding himself let into the secret, indeed, and that he was bitten to the tune of £300,000 worse than nothing. After he had, unhappily, paid as far as his ready money would go, of which piece of honesty they say he has heartily repented, and is in hopes all that come after him will forgive him for the sake of what followed, stopped short, as he might well, you 'll say, when his money was all gone, and bethinks himself, What am I doing! I have paid away all this money like a fool; I was drawn in like an ass, by the eager desire of biting my neighbours to a vast sum, and I have been fool enough in that; but I have been ten thousand times a worse fool to pay a groat of the money, especially since I knew I could not pay it all. Besides, who but I would have forgot the nature of the thing I was dealing in, and of the people I was dealing with? Why, is it not all a mere body of knavery? Is not the whole system of stock-jobbing a science of fraud? and are not all the dealers original thieves and pickpockets? Nay, do they not own it themselves? Have not I heard T. W., B. O., and F. S., a thousand times say they know their employment was a branch of highway robbing, and only differed in two things; first, in degree, viz., that it was ten thousand times worse, more remorseless, more void of humanity, done without necessity, and committed upon fathers, brothers, widows, orphans, and intimate friends; in all which cases, highwaymen, generally touched with remorse, and affected with principles of humanity and generosity, stopped short, and chose to prey upon strangers only. Secondly, in danger, viz., that these rob securely; the other, with the utmost risk that the highway-

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man run, at the hazard of their lives, being sure to be hanged first or last, whereas these rob only at the hazard of their reputation, which is generally lost before they begin, and of their souls, which trifle is not worth the mentioning. Have not I, I say, heard my broker, Mr. ——, say all this and much more, "That no man was obliged to make good any of their Exchange Alley bargains, unless he pleased, and unless he was in haste to part with his money, which, indeed, I am not; and have not all the brokers and jobbers, when they have been bitten too hard, said the same thing, and refused to pay?

"Pray, how much did old Cudworth, Ph. C—p—m, and Mr. G——g, eminent jobbers, monarchs in their days of Exchange Alley, break for? And how much did they ever pay? One, if I mistake not, compounded at last for one penny per pound, and the other two for something less.

"In a word, they are all a gang of rogues and cheats, and I'll pay none of them. Besides, my lawyer, Sir Thomas Subtle, tells me there is not a man of them dares sue me; *no, though I had no protection to fly to;* and he states the case thus: —

"'You have, Sir,' says Subtle, 'contracted to accept of stock at a high price; East India at 220, Bank at 160, South Sea 120, and the like. Very well. They come to put it upon you, the stock being since fallen. Tell them you cannot take it yet; if they urge your contract, and demand when you will take it, tell them you will take it when you think fit.

"'If they swagger, call names, — as rogue, cheat, and the like, — tell them, as to that, you are all of a fraternity; there is no great matter in it whether you cheat them, or they cheat you; 't is as it happens in the way of trade; that it all belongs to the craft; and, as the Devil's broker, Whiston, said to parson Giffard, tell them you are all of a trade. If they rage, and tell you the Devil will have you, and such as that, tell them they should let the Devil and you alone to agree about that, it is none of their business; but when he comes for you, tell them you would advise them to keep out of the way, or get a protection, as you have against them.

"'After this, it is supposed they will sue you at law. Then leave it to me; I 'll hang them up for a year or two in our courts; and if ever in that time the stock comes up to the price, we will tender the money in court, demand the stock, and saddle the charges of the suit upon them. Let them avoid it if they can.'

"This is my lawyer's opinion," says he to himself, "and I 'll follow it to a tittle; and so we are told he has; and I do not hear that one stock-jobber has begun to sue him yet, or intends it; nor, indeed, dare they do it."

This experiment, indeed, may teach understanding to every honest man that falls into the clutches of these merciless men, called stock-jobbers; and I give the world this notice, that, in short, not one of their Exchange Alley bargains need be otherwise than thus complied with. And, let these buyers of bear-skins remember it, not a man of them dare go to common law to recover the conditions; nor is any man obliged, farther than he thinks himself obliged in principle, to make good one of his bargains with them. How far principle will carry any man to be just

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to a common cheat, that has drawn him into a snare, I do not, indeed, know; but I cannot suppose it will go a very great length, where there is so clear, so plain, and so legal a door to get out at.

It must be confessed that, if the projected story of the taking of the Pretender was acted in concert between Rome and Exchange Alley, between my Lord Mar and a certain broker, as fame reports, — either the broker is the devil of a Jacobite, or my Lord the devil of a broker, — it must be acknowledged it was a far-fetched trick, and answered the end in Exchange most admirably.

Nor can all the world tell us any other end that it could answer; for as to the pretences of deluding the imperialists on shore, or the British men-of-war at sea, and so the better to facilitate the escape of the Pretender to Spain, I undertake to prove that this is absurd and ridiculous; for the Pretender was embarked at Netunna, and gone away to sea thirteen days, at least, before this whim of people taken at Voghera was talked of.

As to the amusements among the Courts at Vienna, Paris, and London, they amounted to nothing at all, answered no end; neither prompted any design on one hand, or hindered any thing on the other. In a word, we may challenge the world to tell us any one turn that was served by it, or end answered by it, but this in Exchange Alley.

Nor was this so inconsiderable a design as not to be worth while to form such a juggle, though a great way off; and, as far off as it is, if we may believe the report of those who remember the machines and contrivances of that original of stock-jobbing, Sir F—— C——. There are those who tell us letters have been ordered, by private management, to be written from the East Indies, with an account of the loss of ships which have been arrived there, and the arrival of ships lost; of war with the Great Mogul, when they have been in perfect tranquillity; and of peace with the Great Mogul, when he was come down against the factory of Bengal with one hundred thousand men; — just as it was thought proper to calculate those rumors for the raising and falling of the stock, and when it was for his purpose to buy cheap, or sell dear.

It would be endless to give an account of the subtleties of that capital ch—t, when he had a design to bite the whole Exchange. As he was the leading hand to the market, so he kept it in his power to set the price to all the dealers. The subject then was chiefly the East India stock, though there were other stocks on foot, too, though since sunk to nothing; such as the Hudson's Bay Company, the Linen Manufacture stock, Paper stock, Saltpetre stock, and others, all at this day worse than nothing, though some of them then jobbed up to 350 per cent, as the two first in particular.

But the East India stock was the main point. Every man's eye, when he came to the market, was upon the brokers who acted for Sir F——. Does Sir F—— sell or buy? If Sir F—— had a mind to buy, the first thing he did was to commission his brokers to look sour, shake their heads, suggest bad news from India; and at the bottom it followed, "I have commission from Sir F—— to sell out whatever I can"; and perhaps they would actually sell ten, perhaps twenty thousand pounds.

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Immediately the Exchange (for they were not then come to the Alley) was full of sellers; nobody would buy a shilling; till perhaps the stock would fall six, seven, eight, ten per cent., sometimes more. Then the cunning jobber had another set of men employed on purpose to buy, but with privacy and caution, all the stock they could lay their hands on; till, by selling ten thousand pounds at four or five per cent. loss, he would buy a hundred thousand pounds stock at ten or twelve per cent. under price; and, in a few weeks, by just the contrary method, set them all buying, and then sell them their own stock again at ten or twelve per cent. profit.

These honest methods laid the foundation, we will not say of a fine great stone house, on a certain forest, but it certainly laid the foundation of an opulent family, and initiated the crowds of jobbers in that dexterity in tricking and cheating one another, which, to this day, they are the greatest proficients that this part of the world ever saw.

By this exactly-concerted intelligence, he then knew how to turn the wages (a sort of jobbing then in mode, and which grew so infamous that they were at length obliged to suppress it by Act of Parliament) which way he pleased, and by which he got an immense sum of money. How often did the gentleman run down true news as if it had been false, and run up false news as if it had been true, by the force of his foreign intelligencers! How often coin reports of great actions, to serve a turn! It is too late a trick to be forgot by many that were bit by it to the bone.

In a word, the putting false news upon us is nothing but an old trade revived, — though, it must be confessed, this of the Pretender has been a masterpiece, — and the worthy projector who has the credit of it must pass for a dexterous manager as any the university of Exchange Alley has bred up for thirty years past.

It had, also, one particular in it for which it was very remarkable. Sham reports, false news, foreign letters, &c., are things that have been often trumped upon us, as above; and the town have been, not long ago, cheated to a good round sum that way; but then they have been soon detected, the morning news has been set to rights in the afternoon, or the evening's heat has cooled by morning. But this trick had a fatal duration, for it held us near a fortnight in a firm persuasion of the thing; and even then it continued but suspected only for some time longer, and was yet longer before it was fully detected; and even at last it was hardly conquered till the Jacobites laughed us out of it, and the Pretender was looked for nearer home.

The assurance with which it was carried about the several places from whence it was written, made it so effectually be swallowed down, that really people saw no room to question the truth of it for a great while. It was written from Rome, from Leghorn, from Genoa, from Turin, and from Paris. Nay, it was even believed at court, and almost everywhere else.

Exquisite fraud! Who could have believed that this had been born in Exchange Alley, sent over to Rome, agreed to there, and executed in such a manner as to cheat, not the town only, but all Europe!

The authority that every one found attended the report, supported it so that it possessed us all; even those whose concern for the fact extorted

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tears from them, were not undeceived. Thus the hucksters had time to play their game, and they made hay while the sun shone; for, if we may believe common fame, bargains, contracts, and agreements for stocks, bear-skins included, amounted in that time to some hundred thousands of pounds; nay, some say to two millions and better, most of which was to the loss of the believing party.

But what tricking, what fraud, what laying plots as deep as hell, and as far as the ends of the earth, is here! What cheating of fathers, and mothers, and brothers, gulling widows, orphans, cozening the most wary, and plundering the unwary! And how much meaner robberies than these bring the friendless even to the gallows every sessions!

But I must not stop here. The story of the Pretender is over; that trump is played; and the artful gamester is wanting a new trick, after having played so many already that one would think invention was at an end; yet they have found it out, and we are just let into the secret.

Hitherto, craft and knavery appears to be their method; but we shall trace them now a little farther; and, like true hussars, who plunder not the enemy only, but their own army, as the opportunity presents, so these men are now come to prey upon the government itself.

Let us look into the late lotteries; had not a piercing eye detected the roguery, and not the fall of other things taken off the edge of the people's fancy for venturing. These artists have brought up the tickets to sixteen shillings apiece, advance, even before the act was passed. That this could not be but by securing the possession of all the tickets in their own hands, except such select tickets as were not to come to market, I say this could not be but by connivance, and this every one knows; and that this connivance again could not be but by some higher people than those that were named to it, this, also, every one may know. Who they were, is none of my business to inquire, though it is easy to guess. It is very hard when our statesmen come into a confederacy to bite the people, and when dukes turn stock-jobbers. Yet that this was done is most certain; and what was this but making a property of the power that might be in their hands, the better to bite the people? For if the Parliament appointed £500,000 in tickets, to be given out at a certain rate that was low and reasonable, was it not to encourage the people, on whom the rest of the national burden lies? And if, by the craft and knavery of jobbers, the people are made to pay £600,000 for them, which is much about the case, pray, why not pay the hundred thousand pounds to the public, either to pay off a hundred thousand pounds of debt, or to make the burden of the current year a hundred thousand pounds lighter? — of which, I am sure, there is need enough.

It has been, indeed, our happiness, that a worthy member, being informed of this abominable cheat, detected it, and laid it before the House; upon which a vote was passed to make void all bargains make for tickets before the act was passed; so the biters were bitten; and a certain Sir George —— was obliged to refund; but the roguery of the design was never a jot the less for that.

But the fatal influence of this growing evil does not end here, and I must trace stock-jobbing now to its new-acquired capacity of intermed-

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dling with the public, assisting rebellion, encouraging invasion ; and if I do not bring the stock-jobbers, even the Whigs among them, to be guilty of treason against their king and country, and that of the worst kind, too, then I do nothing.

Had the stock-jobbers been all Jacobites by profession, or had the employment led them by the necessity of their business to put king and nation, and particularly their own, to bargain and sale ; and had the feeling of news been their property, and they had an act of Parliament, or patent, to entitle them to the sole privilege of imposing what false things they pleased on the people, I should have had much the less reason to have complained of their roguery, and have rather turned myself to the rest of them people, who are the subject they work upon, and only have stood at Exchange Alley end, and cried out, "Gentlemen, have a care of your pockets."

Again, had it been a private club, or society of men, acting one among another, — had the cheats, the frauds, and the tricks they made use of, in which the English rogue was a fool to them, being practised upon themselves only, and, like gamesters at a public board, they had only played with those that came there to play with them ; in this case, also, I should have held my tongue, and only put them in mind of an old song, every stanza of which chimed in with, "Tantararara, rogues all, rogues all."

But when we find this trade become a political vice, a public crime, and that, as it is now carried on, it appears dangerous to the public, that, whenever any wickedness is in hand, any mischief by the worst of the nation's enemies upon the wheel, the stock-jobbers are naturally made assistant to it, that they become abettors of treason, assistant to rebellion and invasion, then it is certainly time to speak, for the very employment becomes a crime, and we are obliged to expose a sort of men who are more dangerous than a whole nation of enemies abroad, an evil more formidable than the pestilence, and, in their practice, more fatal to the public, than an invasion of Spaniards.

It is said by some, that the principal leaders in the jobbing trade at that time, and to whom most part of the satire in this work ought to be pointed, are Whigs, members of Parliament, and friends to the government ; and that, therefore, I had best have a care of what I say of them.

My first answer is, So I will. I will have a care of them ; and, in the next place, let them have a care of me ; for if I should speak the whole truth of some of them, they might be Whigs ; but I dare say they would be neither P—— men, or friends to the government very long ; and it is very hard his Majesty should not be told what kind of friends to him such men are.

Besides, I deny the fact. These men friends to the government ! *Jesu Maria !* The government may be friendly to them in a manner they do not deserve ; but as to their being friends to the government, that is no more possible than the Cardinal Alberoni or the Chevalier de St. George are friends to the government ; and, therefore, without reflecting upon persons, naming names, or the like, — there will be no need of names, the dress will describe them, — I lay down this new-fashioned

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proposition, or postulatum, take it which way you please, that I will make it out by the consequences of what I am going to say.

1. That stock-jobbing, as it is now practised, and as is generally understood by the word stock-jobbing, is neither less or more than high-treason in its very nature, and in its consequences.

2. That the stock-jobbers, who are guilty of the practices I am going to detect, are eventually traitors to King George, and to his government, family, and interest, and to their country, and deserve to be used at least as confederates with traitors, whenever there are any alarms of invasions, rebellions, or any secret practices against the government, of what kind soever.

This is a black charge, and boldly laid, and ought therefore to be effectually made out, which shall be the work of a few pages in the following sheets.

1. I lay down this as a rule, which I appeal to the laws of reason to support, that all those people who, at a time of public danger, whether of treasonable invasion from abroad, or traitorous attempts to raise insurrections at home, shall willingly and wittingly abet, assist, or encourage the traitors invading or rebelling, are equally guilty of treason.

2. All those who shall endeavour to weaken, disappoint, and disable the government in their preparations, or discourage the people in their assisting the government to oppose the rebels or invaders, are guilty of treason.

All that can be alleged in contradiction to this, — and perhaps that could not be made out neither, — is, that they are not traitors within the letter of the law; to which I answer, if they were, I should not satirize them, but impeach them. But if it appears that they are as effectually destructive to the peace and safety of the government, and of the king's person and family, as if they were in open war with his power, I do the same thing, and fully answer the end proposed.

As there are many thieves besides housebreakers, highwaymen, lifters, and pickpockets, so there are many traitors besides rebels and invaders, and, perhaps, of a much worse kind; for, in a dispute between a certain lord and a woman of pleasure in the town, about the different virtue of the sexes, the lady insisted that the men were aggressors in the vice, and that, in plain English, if there were no whore-masters, there would be no whores; so, in a word, if there were no parties at home, no disaffection, no traitors among ourselves, there would be no invasions from abroad.

Now, I will suppose for the purpose only, that the people I am speaking of were not disaffected to the government; I mean, not originally and intentionally pointing their intention at the government; nay, that they are hearty Whigs, call them as we please; yet, if it appear they are hearty knaves, too, will do any thing for money, and are, by the necessity of their business, obliged, or by the vehement pursuit of their interest, that is to say, of their profits, pushed upon things as effectually ruinous and destructive to the government, as the very buying arms and ammunition by a protest Jacobite, in order to rebellion, could be, are they not traitors even in spite of principle, in spite of the name of Whig; nay, in spite of a thousand meritorious things that might otherwise be said of them, or done of them?

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A gunsmith makes ten thousand firelocks in the Minories, the honest man may be a Whig, he designs to sell them to the government to lay up in the tower, or to kill Spaniards, or any of the rest of the king's enemies; a merchant comes and buys some of them, and says they are for the West Indies, or to sell into France. But upon inquiry, it appears they are bought for rebellion; the undesigning gunsmith comes into trouble, of course, and it will be very hard for him to prove the negative, that when he has furnished the rebels with arms, he had no share in the rebellion.

To bring this home to the case in view, who were the men who, in the late hurry of an expected invasion, sunk the price of stock fourteen or fifteen per cent.? Who were the men that made a run upon the Bank of England, and pushed at them with some particular pique, too, if possible, to have run them down, and brought 'em to a stop of payment? And what was the consequences of these things? Will they tell us that running upon the bank, and lowering the stocks, was no treason? We know that, literally speaking, those things are no treason. But is there not a plain constructive treason in the consequences of it? Is not a wilful running down the public credit, at a time when the nation is threatened with an invasion from abroad, and rebellion at home? Is not this adding to the terror of the people? Is not this disabling the government, discouraging the king's friends, and a visible encouragement of the king's enemies? Is not all that is taken from the credit of the public, in such an occasion, added to the credit of the invasion? Does not every thing that weakens the government strengthen its enemies? And is not every step that is taken in prejudice of the king's interest a step taken in aid of the designed rebellion? The kindest thing that can be said of a certain triumvirate of jobbers, whose hands have been deepest in this part of the work, and who, indeed, had more obligations upon them than any other men in the town, to have assisted the public interest and advanced the credit of the nation, is, that they did not think what they did, and that this excuse may not serve them another time, I may soon furnish them with an anatomy of some of the conduct of that little body of Number Three, that when they see their mistakes with the eyes that other men see them, they may at their leisure give a better turn to the measures of unbounded avarice.

I now, that I may not be said to speak without a precedent, I humbly refer to those moneyed gentlemen to a case recent in memory, and even in their own, which, though indeed they may think fit to have forgotten for a time, they will all call to mind when they hear of it again; and this was the case of two goldsmiths (knights also, and one of them member of Parliament, too) in Fleet Street, who pushed at the Bank of England at the time that the Pretender's invasion from France was in its preparation. One of them, it was said, had gathered a quantity of Bank-bills, to the value of near £100,000, and the other a great sum, though not so many, and, it was said, resolved to demand them all at once.

Let the gentlemen I point at look back to the printed papers that year; let them inquire what construction was put upon it; let them inquire how the government resented it; how my Lord Treasurer Godolphin

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looked upon it as a mine formed to blow up the queen's affairs, and how, in a word, all the friends of the government took it to be such a step in favor of the Pretender, as was impossible to consist with duty to the queen.

Let them inquire farther, with what difficulty Sir R—— Ho—— wiped off the imputation of being a favorer of the rebellion, and how often, in vain, he protested he did it with no such view, and how hard the Whigs were to believe him. Sir F—— C——d, indeed, carried it with a higher hand, and afterwards pretended to refuse the bills of the Bank; but still declared he did it as a goldsmith, and as a piece of justice to himself in some points in which the Bank had, as he alleged, used him ill. But, in general, it was looked upon as an open affront to the government, and an abetting and countenancing the invasion of the Pretender from abroad, and the rebellion intended at home. Nor was the government, much less were the authors of private papers and prints, wanting in letting them know it; nay, if I am not misinformed, they were threatened with being treated as enemies to the government; and if things had gone on to extremities, they had doubtless been marked out as persons the government were to take care of.

Now I only speak in plainer words; it was said then, that such men as endeavoured to run down the public credit were enemies to the government. I know no distinction in the case, that should require so much tenderness. Every subject of King George, who is at the same time an enemy to King George, is a traitor; and every overt act of that enmity, it being his duty to his utmost to favor, aid, and support the government, is an overt act of treason, let it be gilded over with what fine words the persons please, 't is the same thing, if it is not literal treason, and within reach of the statute, yet the crime is in itself of the same nature.

And let any one tell me what is the difference between two dealers in Paris credit in the time of a French invasion, and three dealers in paper credit in the time of a Spanish invasion, or what sanctity in Birchin Lane more than in Fleet Street, that one should be a protection for the same practice that was resented so justly in another.

Were those stock-jobbers sincerely and heartily in the interest of King George and his government, as they pretend loudly, what run could there be upon the Bank, what ebb of credit, what sinking of stock? The honest Whigs, who were friends to the government at that time, mentioned above, who not only knew their duty, but how to make it seasonable and useful, acted after another manner. When others ran upon the Bank with all the fury possible, they carried all the money thither they could gather up; nay, I could name a man in this city, who, having but £500 in the world, carried it all into the Bank to support the credit of the public; and the story being told to her Majesty by the late Lord Treasurer Godolphin, the sense of such fidelity so moved the queen, that she sent him a hundred pounds as a gift, a royal token of her accepting such an act of loyalty; and caused my Lord to give him an obligation from the Treasury to repay him the whole £500 if any disaster to the Bank should have made it doubtful.

Where 's the like courage and conduct to be found now? Is it in

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being? Are the gentlemen less able? Or is it that they have not the same zeal for King George as that honest citizen had for the queen? Or do they doubt the king being as sensible of the service? Or what is the matter that the public credit had rather met with injurious juggling and jobbing upon it, than real support, either from Exchange Alley, Birchin Lane, or some other places less noted?

Let those men reflect a little upon the circumstances the public credit must have been in by such mismanagement, if the Spanish attempt had been made, and if these easterly Protestant winds had not chopped in, by which Providence has given the government time to put itself in a posture of defence, so as now not to be afraid of them; and if the capital stock of the persons interested in the funds is now sunk a million in the real value of them as they stood before even at the market, which is nothing but what the matter of fact will justify, to what degree would the same current, if it had gone on, have sunk the estates of all the moneyed men in England?

In what manner would money have been raised upon a new credit for any immediate exigencies that might have happened? And should the government have been supported, — nay, though the Parliament had granted funds, — while these men had made all credit ebb, perhaps, to twenty-five or thirty per cent. discount? And is not this, then, a species of treason and rebellion?

It was very remarkable, that, in the juncture of those things, the Jacobites could not refrain taking notice how easy it was to set the citizens plundering the Bank, and even the Exchequer, too; for, had this gone on, the funds, which are, in effect, the Exchequer itself, would have gone down hill hand in hand with the Bank; credit would have borne equal pace in one as well as in the other; and the government would no more have been able to borrow, than the Bank would have been able to pay.

It is scarce fit to enter into a description of all the mischievous consequences which necessarily follow running down the public credit, in case of such dangers as I have mentioned above. If I should fully describe them, it would appear incredible. Every one will allow that this practice of the jobbers, carried on a little farther, would indeed appear to be the worst kind of treason.

But it is needful, after having said thus much of the crime, to say something of the place, and then a little of the persons, too. The centre of the jobbing is in the kingdom of Exchange Alley, and its adjacencies. The limits are easily surrounded in about a minute and a half, viz., stepping out of Jonathan's into the Alley, you turn your face full south; moving on a few paces, and then turning due east, you advance to Garraway's; from thence, going out at the other door, you go on still east into Birchin Lane; and then halting a little at the Sword-blade Bank, to do much mischief in fewest words, you immediately face to the north, enter Cornhill, visit two or three petty provinces there in your way west, and thus having boxed your compass, and sailed round the whole stock-jobbing globe, you turn into Jonathan's again; and so, as most of the great follies of life oblige us to do, you end just where you began.

But this is by way of digression; and even still, before I come to the

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main case, I am obliged to tell you that, though this is the sphere of the jobbers' motion, the orb to which they are confined, and out of which they cannot well act in their way, yet it does not follow but that men of foreign situation (I mean foreign as to them, I do not mean foreign as to nation); nay, some whose lustre is said to be too bright for the hemisphere of a coffee-house, have yet their influence there, and act by substitutes and representatives. But first I must speak to originals.

C——, a man of brass sufficient for much more business than he can be trusted with, is said to manage for three blue ribbonds, and for four or five cash-keepers, who tell more money than their own. He fetches and carries with such indefatigable application, that he is said never to fail his appointments to a minute, however remote from one another. Wherever he appears, he makes an Exchange Alley in his person, and a court in his audience; he is himself a Jonathan's coffee-house in little; though he be at a cockpit, he realizes Exchange Alley in every place; and yet he rather is directed than directs; and, like a certain great general, famed for more fire than phlegm, is fitter to drive than to lead.

S—— has twice the head, but not half the business as C—— is said to have, yet he gets more money for himself, and C—— gets more for other folks. S—— is as cunning as C—— is bold, and the reserve of one with the openness of the other, makes a complete Exchange Alley man. C—— jumps at every thing, and as he got the start of the world at his beginning, by venturing more than he was worth, so he deals now with all men as if they ventured more than they are worth. Originally he was a bite, which, in modern language, is a sharper; or, being fully interpreted, may signify the head-class of the fraternity called pick-pockets.

T——, a gamester of the same board, acts in concert with C—— and S——, and makes together a true triumvirate of modern thieving. He inherits the face of C——, with the craft of S——, but seems to take state upon him, and acts the reserved part more than either; yet even this, too, is all grimace, for wherever he can be sure to kill, he can't fawn like an Irishman.

They are all three of yesterday in their characters, yet they are old in their crime, viz., of resolving to be rich at the price of every man they can bubble. Their first blow was aimed at the Bank, but there they were outwitted; and the great Lord Treasurer Godolphin, in the late reign, gave them their just characters from that action. The defeat they met with there sticks so close to them, that they reserve the measures of their revenge, not to cool, no, not till the charter of the Bank shall expire.

However, their wings being clipped by the clause then obtained in an Act of Parliament, — that no society, corporation, &c., should issue out bills of credit as a bank, but the Bank of England only, — they were obliged ever since to turn stock-jobbers, or, if we may speak properly of them, they are the stock-jobbers' masters; for they have so many bear-skins pawned to them at a time, so much stock deposited with them upon bottomrée, as it might be called, that indeed they may be called the city pawnbrokers; and I have been told, that they have had fifty stock-

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jobbers and brokers bound hand and foot, and laid in heaps at their doors at a time.

The next trick they tried, and which was, indeed, the masterpiece of their knavery, was the getting an assignment of the forfeited estates in Ireland into their hands. Indeed, they began the world upon this prospect, and expected to have had the whole kingdom of Ireland mortgaged to them. But here, too, they were disappointed, and had they not found a man that had as much money as themselves, and more honesty, that bargain of the forfeited estates had been the last they had made in the world.

The endeavours they use to cheat that gentleman, after he had delivered them from a blow that would have blown them up, is another black part of their story that remains to be told, for the illustration of their character, at another time; but in the interim, 't is enough to say, that he who delivered them as fools, knew how to deliver himself from them as knaves; and so they were dropped out of the Irish bargain, to their great mortification.

Now they stand ready, as occasion offers, and profit presents, to stock-job the nation, cozen the Parliament, ruffle the Bank, run up and down stocks, and put the dice upon the whole town.

They had another flap with a Fox-tail, to the scandal of their politics, in the late vote about the tickets of the lottery which I mentioned above. What market they will make of it is well enough known. But the plot was never the less cunning, and 't is certain the knavery is not the less visible for the miscarriage. I come next to their more modern management.

Whenever they call in their money, the stock-jobbers must sell; the bear-skin men must commute, and pay differences money; then down come the stocks, tumbling two or three per cent.; then the tools must sell and their masters buy; the next week they take in stocks again, then the jobbers buy, and the managers sell. Thus the jobbers bite their friends, and these men bite the jobbers, *qui sarpat sharpabitur*, — Exchange Alley Latin: they that are let into the secret will understand it.

The truth is, it has been foretold by cunning men, who often see what can't be hid, that these men, by a mass of money which they command of other people's, as well as their own, will, in time, ruin the jobbing trade. But 't will be only like a general visitation, where all distempers are swallowed up in the plague, like a common calamity, that makes enemies turn friends, and drowns lesser grievance in the general deluge. For if the reprisal trade should adjourn from Exchange Alley to Birchin Lane, it may seem to be like the banishing usury from the city of Rome, which transferred it to a Jew at Genoa, a monk at Naples, and a banker at Venice, who, it was said, had no less than seven-and-twenty principalities in Italy mortgaged to them at a time, besides two kingdoms, seven duchies, and the jewels of the crown of France.

Having thus given the blazing characters of three capital sharpers of Great Britain, knaves of lesser magnitude can have no room to shine; the Alley throngs with Jews, jobbers, and brokers; their names are needless, their characters dirty as their employment; and the best thing

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that I can yet find to say of them is, that there happens to be two honest men among them, — Heavens preserve their integrity; for the place is a snare, the employment itself fatal to principle, and, hitherto, the same observation which I think was very aptly made upon the Mint, will justly turn upon them, — that many an honest man has gone in to them, but cannot say that I ever knew one come an honest man out from them.

But to leave them a little, and turn our eyes another way, is it not surprising to find new faces among these scandalous people, and persons even too big even for our reproof? Is it possible that stars of another latitude should appear in our hemisphere? Had it been Sims or Bowcher, or gamesters of the drawing-rooms or masquerades, there had been little to be said; or had the groom-porters been transposed to Garraway's and Jonathan's, it had been nothing new; true gamesters being always ready to turn their hand to any play. But to see statesmen turn dealers, and men of honor stoop to the chicanery of jobbing; to see men at the offices in the morning, at the P—— house about noon, at the cabinet at night, and at Exchange Alley in the proper intervals, what new phenomena are these? What fatal things may these shining planets (like the late great light) foretell to the state and to the public; for when statesmen turn jobbers, the state may be jobbed.

It may be true that a treasurer or cash-keeper may be trusted with more money than he is worth, and many times it is so; and if the man be honest, there may be no harm in it: but when a treasurer plays for more money than he is worth, they that trust him run a risk of their money, because, though he may an honest man, he may be undone. I speak of private, not public treasurers.

Indeed, it requires some apology to say such a one may be an honest man; it would be hard to call him an honest man, who plays away any man's money that is not his own, or more than he is able to pay again with his own. But if it be dishonest to play it away, that is, lose it at play, 't is equally dishonest to play with it, whether it be lost or no; because, in such a case, he that plays for more than he can pay, his master runs the hazard more than himself; nay, his master runs an unequal hazard, for if the money be lost, 't is the master's, if there is gain, 't is the servant's.

Stock-jobbing is play; a box and dice may be less dangerous, the nature of them are alike a hazard; and if they venture at either what is not their own, the knavery is the same. It is not necessary, any more than it is safe, to mention the persons I may think of in this remark; they who are the men will easily understand me.

In a word, I appeal to all the world, whether a man that is intrusted with other men's money (whether public or private is not the question) ought to be seen in Exchange Alley. Would it not be a sufficient objection to any gentleman or merchant, not to employ any man to keep his cash, or look after his estate, to say of him he plays, he is a gamester, or he is given to gaming and stock-jobbing, which is still worse, gives the same, or a stronger ground of objection in like cases.

Again, are there fewer sharpers and setters in Exchange Alley than at the Groom Porters? Is there less cheating in stock-jobbing than at play?

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Or, rather, is there not fifty times more? An unentered youth coming to deal in Exchange Alley is immediately surrounded with bites, setters, pointers, and the worst set of cheats, just as a young country gentleman is with bawds, pimps, and spongers, when he first comes to town. It is ten thousand to one, when a forward young tradesman steps out of his shop into Exchange Alley, I say 't is ten thousand to one but he is undone: if you see him once but enter the fatal door, never discount his bills afterwards, never trust him with goods at six months' pay any more.

If it be thus dangerous to the mean, what is it to the great? I see only this difference, that in the first the danger is private, in the latter public.

It has not been many years since elections for members of ——— came to market in Exchange Alley, as current as lottery-tickets now, and at a price, like these, much above what any Parliament allowed them to go at. While this was carried on, a great many honest men exclaimed against it, and exposed it; nay, several Acts of Parliament were proposed for regulating elections, and preventing bribery and corruption; but all this would not do, and this, indeed, was one of the happy consequences of that otherwise necessary act for triennial Parliaments; and I firmly believe, that it is owing very much to the late suspending that act for a time, that these things are not come to market again.

It may easily be remembered, that the first occasion of the Exchange Alley men engaging in the case of elections of members was in King William's time, on the famous disputes which happened between the Old East India Company and the New; which, having held a great while, and having embarrassed, not the city only, but the whole nation, and even made itself dangerous to the public business, it was expected it should be fully decided by the House of Commons. To this end, the members of both companies, with all the trick, artifice, cunning, and corruption, that money and interest could arm them with, bestirred themselves to be chosen members.

Brokers rid night and day from one end of the kingdom to the other, to engage gentlemen to bribe corporations, to buy off competitors, and to manage the elections. You will see the state of things at that time, and the danger this stock-jobbing wickedness had brought the public to, if you please to read the following exclamation of the honest freeholders at that time, which was presented to the public by way of complaint. The thing was laid before the king first, and before the Parliament afterwards; and it was his Majesty's sense of the consequence, that made him resolve to bring the two East India Companies to unite their stocks; for, in a word, the stock-jobbers embroiled the whole nation.

There was a book published some years ago, and when the stock-jobbing people were thought as willing, yet not quite so daring or so cunning, as they are now; it was entitled, "The Villany of the Stock-jobbers." Indeed, it set them out in their true colors, and for some time gave them a little shock; for the truth was, they jobbed King William and the government at that time at such a rate, that, in spite of the invincible valor and resolution of the soldiery, in spite of the most glorious prince and most vigilant general the world had ever seen, yet the enemy gained

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upon us every year; the funds were run down, the credit jobbed away in Exchange Alley, the king and his troops devoured by mechanics, and sold to usury; tallies lay bundled up like Bath faggots in the hands of brokers and stock-jobbers; the Parliament gave taxes, laid funds, but the loans were at the mercy of those men; and they showed their mercy, indeed, by devouring the king and the army, the Parliament, and, indeed, the whole nation, bringing that great prince sometimes to that exigence, through unexpressible extortions that were put upon him, that he has even gone into the field without his equipage, nay, even without his army; the regiments have been unclothed when the king has been in the field, and the willing, brave English spirit, eager to honor their country, and follow such a king, have marched even to battle without either stockings or shoes, while his servants have been every day working in Exchange Alley, to get his own money of the Stock-jobbers, even after all the horrible demands of discount have been allowed; and, at last, scarce fifty per cent. of the money granted by Parliament has come into the Exchequer, and that late, too late for that service, and by driblets, till the king has been tired of the delay, and been even ready to give up the cause.

We have just now had a test of their cunning on the subject of the invasion. These were the men that made the first advantage of the news; immediately those that were to put stock upon any man at a high price tendered it, the accepters, forced by the demand, call in their money on their hand, pay the difference, the price falls, a general run upon the Bank follows, and stock-jobbing began it.

Say this was no design, yet if every alarm of the foolish, or the timorous, or the false, is capable to set the humor afloat by the agency of Exchange Alley, is as dangerous to the public safety as a magazine of gunpowder is to a populous city.

But if it be by design, then, whenever the Pretender is to be pawned upon us by any foreign power that can but talk of lending five or six thousand men, our public credit is at his mercy, by the agency of Exchange Alley and the brokers.

The story of the invasion from Spain, we hope, is now over. Indeed, at the worst, I saw no such reason to be surprised to that degree as was the case here. Let us look back, and see what injury to the public has the very rumor been! what damage to credit! what stop to trade! what interruption to our general commerce! besides sinking above a million sterling upon our estates; and every farthing of this is occasioned by the stock-jobbers, and in the consequence of their contrivance, and by no other means; for as to the design of an invasion, or that they resolved to come hither at all, though we have evident proofs of that, because some of them have been actually landed, yet we cannot yet resolve the question positively, whether it was ever worth our being so much alarmed, as we have been in Exchange Alley.

While these sheets were at the press, we had another little test of their knavery to the public; and it is not at all owing to them that the thing ran no farther. The contrary winds and storms, &c., had disappointed the king's enemies, and the Spanish fleet was driven back to Spain in a

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shattered and defeated condition, as appears by the public account of those things: but in the interval of this news came an account, on the other hand, that some of the party were arrived in Scotland, that they had beat it up, notwithstanding all the opposition of nature, the hindrances of winds and seas. Immediately stocks fell two per cent, nor did the good news of the defeated return of the rest animate these men to keep up the interest, by which it appears that they are acted more by the bad principle than by the good; that they choose rather to do evil than to do good; that they sink faster than they rise, and are willinger to do harm than good to the government.

From whence I infer, that the government, looking upon them as they really are, rather enemies than friends to the general interest, should rather incline to root them out than preserve them. AMEN.

THE AMERICAN UNION.

THE maintenance of the integrity of the Union is to the people of the United States very like what the maintenance of the British Constitution is to ourselves. A hundred times over, in the jargon of parties, or the heat of battle, the Union has been dissolved, and the sun of the Constitution has set for ever. But though this catastrophe is denounced as the inevitable result of every grand contest, in the one country as in the other, — in the Federal Republic and in the Constitutional Monarchy, — such results would be equally unwelcome and alarming to every party to the States. The Americans use great license in what we must call amicable hostility; — they fight with each other in all the ardor of the domestic passions; but they have too lively a sense of the incalculable advantages they derive from their Union to sacrifice that great political power to any accidents of occasional warfare. Nothing is more remarkable, or more creditable to the American people, than the fact that, in spite of their reckless and bold character, their wide and numerous divisions, and their unlimited freedom, these States have remained at peace with each other since the declaration of independence. That is more than can be said of any other confederation known to history. The Greek States of antiquity waged continual war upon each other; the Italian States of the Middle Ages were incapable of a league; even in our own day we have seen one third of the Swiss Cantons subdued by an army of their confederates; and the Germanic Confederation presents a melancholy picture of an edifice in ruins. The United States alone have retained the sacred deposit of their national peace inviolate, under the sanction of a common respect for a supreme authority. That is their chief strength and their chief glory. From the aggression or hostility of European powers they have nothing to fear; but if ever the evil time should come when local interests or passions prevail over the public law, and a disruption of the Union should ensue, it is not too much to predict that the whole face of the North American continent would be changed, the habits and necessities of war would predominate over those of peace, the institutions which now suit the people would become impossible or insufficient, and the New World would, in time, exhibit but a melancholy parody of the follies and errors which have so long afflicted the older habitations of mankind. — ***London Times.***

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MISCELLANEOUS.

COUNTERFEIT PLATES. — Captain Wiley, of the New York police, arrested in June a young man of genteel address, calling himself Jonas Fraser, alias John C. Burns, alias Brown, on the charge of causing a counterfeit bank plate to be engraved, exhibiting nearly a *fac-simile* of a $10 bill on the "Wisconsin Marine and Fire Insurance Company," situated at Milwaukie; and causing one thousand copies of the same to be printed, amounting to $10,000.

It seems that on the 27th of May last, the accused called on Narin and Durand, engravers, 21 Wall Street, and wished to have a bank-bill engraved as above described; Mr. Durand informed him that he could not execute the work without good city reference, or the payment in advance; accordingly Fraser paid down $25, and Mr. Durand agreed to execute the work; but before so doing he applied to Captain Wiley, who advised Mr. Durand to see the agents in this city, Messrs. Strachan and Scott, No. 51 William Street, and on calling upon them, Mr. Durand fortunately met Mr. Smith, the president of the very banking institution in question; the subject-matter was told to him, and at his request the work was executed, for the purpose of detection and punishment of the forger and counterfeiter. Mr. Durand finished the plate, and printed the required number of impressions, and yesterday Fraser called, according to appointment, paid the balance $50, making $75 in all for the work done, took the $10,000 worth of bills printed, together with the plate, and was about to leave, when Captain Wiley stepped in from another room, and asked Fraser if he was authorized by the bank to have such a plate engraved. "O, yes," said Fraser, "my father is the agent for that bank, and resides in Milwaukie." This representation Captain Wiley knew to be false, and immediately took him into custody, and on searching his person $84 was found in good money, together with a genuine $10 bill on the same bank. The accused was then conveyed before the Chief of Police, who committed him to prison to await a further hearing. In this arrest much credit is due to Mr. Durand and Captain Wiley for the management and skill exhibited by them in the discovery and detection of this extensive counterfeiter. — *New York Paper, June*, 1850.

CITY LOANS. — We learn that our city has just negotiated a loan with WATTS SHERMAN, Esq., of $100,000, bearing 5 per cent. interest, and to be reimbursable in 20 or 24 years. The loan is taken by Mr. SHERMAN at par. This is a gratifying evidence of the high estimation in which the credit of our city is held by capitalists, — an estimation justly merited by the sound policy now governing its finances. With a steadily diminishing debt, under the sure provisions of a sinking fund, the aggregate of which amounts now to only about $540,000, it is certain that the bonds of no city in the Union can afford greater security for investment than those of the city of Albany.

The object of this loan is to pay off the indebtedness of the city about maturing, now bearing 6 and 7 per cent. interest. The tax-payers will, therefore, be gratified to perceive that the expenditures of the city will be diminished some $2,000 annually by this negotiation. — *Albany Argus, June*, 1850.

BANKING IN CINCINNATI. — A stranger, in passing through our city, would naturally suppose that there was no lack of banking capital here, judging from the external evidences. A closer inquiry would soon convince him that we are almost destitute of incorporated banking capital. The aggregate capital of the banks of this city, excluding that of the Ohio Life Insurance and Trust Company, does not reach one and a half million of dollars; hardly enough for one institution in a place of the commercial importance of this city. We subjoin for the information of our subscribers, a list of the public and private banks and bankers:

Chartered Institutions. Ohio Life Insurance and Trust Company. Lafayette Bank. Franklin Bank. City Bank. Commercial Bank. Mechanics and Traders' Bank.

Private Banks, not Incorporated. Citizens' Bank. Central Bank. McMichen's Bank. Merchants' Bank. New England Bank. Ohio Savings Institution. Phenix Bank. People's Bank.

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Bankers and Exchange Dealers. Ellis & Morton. T. S. Goodman & Co. James Gilmore & Co. Wheeler & Co. P. Outcalt & Co. A. J. Burt. George Milne & Co. W. N. Brown & Co. J. McLaughlin. E. Lucas & Co.

The above divisions embrace the moneyed institutions of our city. The first named class do, or *should* do, a regular banking business, allowing no interest for deposits, and discounting at *not* more than six per cent. per annum. They also *attempt* to furnish Exchange for their customers.

The second named class generally allow interest for deposits, and buy long and short date notes at such rates as the scarcity of money, and the necessities of the public establish.

The third named class likewise allow interest on deposits, buy short date business paper, at current rates, and deal in exchange, specie, and currency. The only difference between the two last named classes is, that the latter do business in their own name, while the former adopt one; that the former do not generally deal in exchange, though there may be one or two exceptions to this, — and that the latter confine their discounts more exclusively to business paper.

The business of private banking has grown out of the demands of commerce. The commercial, manufacturing, and shipping interests of this city have increased with wonderful strides, notwithstanding the adverse legislation of the State. And while legitimate banks are from year to year denied this city, the demands of trade have countenanced and supported private bankers, who have aided the commercial interests to an extent not generally known, and at the same time built up fortunes for those engaged in them. — *Goodman's Counterfeit Detector.*

Life Insurance. — The long existing powers of the *Ætna Insurance Company*, in the matter of Life Assurance and Annuities, were advantageously amended by the last Legislature, and at a meeting of the stockholders, on the 6th of June, it was voted to carry these powers into effect. A capital of $ 150,000 has been subscribed, and in a few days the company will be ready to issue policies on lives. The particular supervision of this department of the business of the Company is to be intrusted to distinct executive officers, and the funds and capital of the same, denominated in the charter the "Annuity Fund," are to be kept entirely distinct from the other funds of the Company, subject to its own losses and charges, and to receive its own profits. — *Hartford Courant.*

Monts de Piété. — The reorganization of the *Monts de Piété* (the public institution for lending on pawn) has been submitted to the Council of State by the government, together with a report on the subject, officially addressed to the Minister of the Interior, by the Inspector-General of the Institutions of Benevolence. This report, which is at the same time historical and statistical, teems with curious particulars, and would serve for instructive text in some one of your serious periodical publications. The first Paris *Mont de Piété* was founded in 1777; up to 1789, twenty were well established in the kingdom. Pawnbroker's shops supplied their place, when they were suspended by a revolutionary confiscation. They were reorganized, owing to the abuses begotten by the flood of assignats; and an interdict followed on all private enterprises of the kind. In Holland, at present, there are seventy-four *Monts de Piété*, under the direction of the municipalities; in France but forty-five remain; they are wanting in sixty of the eighty-six departments. There is, however, especially in Paris, much private clandestine business done in the same way. The legal establishments dispose altogether of a *fonds de roulement* of thirty-five millions of francs. The greater part belongs to individual lenders, who, in ordinary times, are content with an interest of three per cent. The Paris *Monts de Piété* give, for what they borrow, notes at a twelvemonth of 250, 500, 1,000, and 10,000 francs. The lenders are nearly all of the classes of small dealers (*le petit Commerce Parisien*), who prefer this investment to the purchase of government stocks. The borrowers are chiefly working people, — operatives and daily laborers; but very many thousands of annuitants, proprietors of real estate, members of the liberal professions, public functionaries, and merchants and shopkeepers, get loans at three per cent. on the average. From all the general information and the details obtained, it is inferred that, in the very great majority of cases, real suffering and severe straits are relieved. Inquiries concerning pawnbroking are to be pursued in Great Britain and the United States. — *Paris Correspondent of New York Journal of Commerce, June,* 1850.

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INDIANA BANKS. — The agent of the Cincinnati Bank Agency took $30,000 in specie from the South Bend Branch of the Indiana State Bank, last week, — presenting that amount of their bills. The reason for this course, which they are practising upon all the branches, is, because the State Bank and Branches will not provide for the redemption of their paper at Cincinnati, by this agency, and deposit 5 per cent. on their circulation with them for this purpose.

This is their revenge, and should be repaid by retaliation in kind. The State Bank is, of course, abundantly able to stand all their drafts. The same concern have made two drafts on the Lafayette Branch, one of $30,000, and one of $40,000, besides sapping the Michigan City, Fort Wayne, and Terre Haute Branches in the same way. — *South Bend Register.*

UNITED STATES MINT. — Gold deposits received at the United States Mint, Philadelphia, from 1st January to 29th June, inclusive, 1st and 2d quarters of 1850, ... $11,191.210.31
Of which there was received from California, ... 1,0200,000.00

And from all other sources,	991,210.31
Gold coinage for same period,	10,741,632.50
Silver do. do.	183,200.00
Total gold and silver coinage for six months,	10,924,832.50

There has been received at the Philadelphia Mint, from California, from the first deposits in December, 1848, to the 29th June, 1850, inclusive, $15,750,000. — *New York Tribune.*

THE NEW ORLEANS BRANCH MINT. — The newly appointed Treasurer of the United States branch mint in this city, Mr. Wicks, informs us that he has received advices from Washington, that he will soon be put in possession of about one million of dollars, for the purpose of purchasing gold dust, bars, and ingots. The practice has heretofore been, at Philadelphia and in this city, on the depositing of gold dust, after being assayed and the value of it ascertained, to issue certificates certifying the value of it, and payable in coin when the coin was made. The certificates had frequently to be disposed of at a sacrifice in order at once to realize the cash. By the recent act of Congress, which will soon be put in operation here, all deposits will be paid in coin as soon as the value of the deposits can be ascertained, which delay will be only three to five days. It is expected that the Treasurer of the mint in this city will be enabled to commence with the new plan in about one week. The new regulations will keep in circulation a large amount of coin which has heretofore long lain idle in the government vaults; and will have a tendency to reduce the rate of exchange between this and the Northern cities. Returned Californians, as well as our own merchants, will now soon be able to realize the full value for their gold without tedious delay or the extortion of brokers. The entire machinery and works of the mint are now in fine order and working condition, while coinage will hereafter proceed rapidly. Since the recommencement of business at the mint there has been coined the following amount: —

Double Eagles,	$690,000
Eagles,	115,000
Half-Dollars,	193,000
Dimes,	7,000
	$1,005,000

Dimes having become quite scarce in this city, and being much in demand, a large quantity of small silver coins has lately been made for public convenience.

In the assaying department some little delay has been experienced in consequence of the non-receipt of a quantity of acid, which has been shipped from Philadelphia, and which is much used in the assaying process. This slight drawback will soon be remedied; when the whole establishment will move in all its various operations with vigor. The country being now tolerably well supplied with silver coin for the purposes of trade, and the material for gold coinage flowing in to us in such quantities, added to the fact that gold coin is so much more convenient, will, we presume, confine the coinage for some time to come almost exclusively to gold.

Our California friends need no longer hesitate about remitting their accumulations

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of the golden dust directly to this city, where they can rely on at once realizing the full value of it in coin stamped with the coat of arms of our mutual Uncle Sam. — *New Orleans Picayune.*

New Books. — *Practical Remarks on the Present State of Life Insurance in the United States: showing the Evils which exist, and Rules for Improvement.* By Harvey G. Tuckett, Actuary; author of the "East Indian Revenue System." This treatise is intended, not only for the use of insurers, throughout the United States, but as an easy reference for all persons interested in the *practical* application of the science of Life Insurance. Published for the author, Philadelphia, June, 1850. The author undertakes to demonstrate "the evils of a purely speculative competition which are developing themselves in the form of 'eighty per cent. dividends; low premiums; promissory notes,'" &c. The work deserves a careful examination by all Life Insurance Companies, directors, and policy holders.

First Biennial Report on the Geology of Alabama. By Tuomey, Geologist. Mobile, 1850. 8vo. pp. 200.

Railway Economy: a Treatise on the New Art of Transport,—its Management, Prospects, and Relations, Commercial, Financial, and Social. By Dionysius Lardner, D. C. L. 12mo. pp. 442. Harper and Brothers, New York. The author here enters upon a close examination of the influences of improved transport on civilization, — Retrospect of the progress of transport, — The organization of a railway administration, — Locomotive power, — Carrying stock, — Maintenance and reproduction of the rolling stock, — Stations, — Clearing house, — Passenger traffic, — Goods traffic, — Expenses, — Profits. Also, a Sketch of Inland Transport in the United States, — Belgian Railways, — French and German Railways, — Relation of Railways to the State. This is a valuable little work, comprising many statistical tables, interspersed with numerous facts and liberal views.

The North British Review, May, 1850. Leonard Scott & Co. Contents: — I. The Scottish Cavaliers. II. Sanitary Improvements. III. John Calvin. IV. The Poetry of Science. V. The Fourth Estate. VI. Irving's Life of Mahomet. VII. Robert Southey. VIII. The Jewish Religion and Polity. IX. Lord Jeffrey. The second article in this number is worthy a careful study. We shall make extracts hereafter.

The London Quarterly Review, July, 1850. Republished by Leonard Scott and Co., New York. Contents: — I. Arago's Life of Condorcet. II. Spectacles. III. Dr. Johnson and Dr. Hookwell. IV. Mechanism of the Post-Office. V. Laplace and Biot. VI. National Workshops. VII. Ancient Agricultural Literature. VIII. The Austrian Revolution. IX. Memoirs of Robert Plumer Ward. X. Lamartine on the Escape of Louis Philippe.

We have not space in the present number for any extracts from the July number of the London Quarterly Review, but will furnish some choice extracts in our work shortly. Our readers will find in our present number several paragraphs from the foreign quarterlies, republished by Leonard Scott & Co., — works which should be accessible to every American reader. They are so full of valuable information, and such able exponents of European politics and science, that no American should refrain from their perusal.

Blackwood's Magazine for July is also reprinted by the same house, — containing, among other articles, Contributions upon Ireland in 1849, Memoirs of Chateaubriand, Industry of the People, The great Chess Match, &c. Monthly. Three Dollars per annum.

Hartford City Bonds. — The city of Hartford has, by a vote of 413 to 17, lent its credit to the amount of half a million of dollars to the Hartford, Providence, and Fishkill Railroad. The city will give the Road six per cent. bonds to the amount of $500,000, payable in 25 years, and receive in return the bonds of the Road at seven per cent., — the one per cent. extra to be held as a sinking fund for the entire extinguishment of the debt, which it will do in thirty-one years. The money obtained by the city bonds is to be devoted to the extension of the road both east and west from its present termini. The entire road is to be mortgaged to the city for security, in addition to that otherwise given by its bonds. — *Springfield Republican.*

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AMERICAN STOCKS IN LONDON. — The interest due on the five per cent. sterling bonds of the State of Alabama, and payable at Reid, Irving, & Co.'s, was advertised to be paid at the Union Bank, London, on the 1st day of July. The interest due on the six per cent. bonds of the Richmond, Fredericksburg, and Potomac Railroad Company, would be paid on the same day, at the banking-house of Thomas Hankey and Co., No. 7, Mincing Lane, London.

VIRGINIA BONDS. — Proposals will be received until the first day of August, at 12 o'clock, M, for $263,500 of Bonds of the Corporation of Petersburg, guaranteed by the State of Virginia, payable in 1870 and 1875, with coupons attached for the interest at six per cent. per annum, payable half yearly on the 1st of February and 1st of August. These Bonds are issued for the construction of the South Side Railroad; the payments therefor being required on the 15th August, 15th September, 15th October, 15th November, and 15th December. Persons offering for the Bonds will state at which of the periods named they propose to pay. The Bonds are in sums of $500, $1,000, and $5,000; and no bid can be received for a sum under $500.

OPPOSITION TO BANKS. — *Hard Money Report of the Currency Committee in the Constitutional Convention, July 5th.*

"SEC. 1. The General Assembly shall have no power to create any bank or banking institution whatever, or to authorize the making, emission, or putting in circulation of any bill of credit, bond, check, ticket, certificate, promissory note, or other paper medium, intended to circulate as money or currency.

"SEC. 2. The General Assembly shall prohibit by law any person or persons, association, company, or corporation now in existence, from exercising the privilege of banking, or creating, emitting, or putting in circulation any bank-notes, or paper of any description whatever, to circulate as money or currency.

"SEC. 3. The business of banking and dealing in money shall be free to all, subject to such provisions as may be provided by law; but no special privileges or exemptions shall ever be granted to those engaged in, or to those who may hereafter be engaged in such business; nor shall any person or persons, either natural or artificial, ever be allowed to deal in or issue paper money, so called.

"JOHN LARWELL, Chairman."

It will appear from the above report in the Constitutional Convention of Ohio, that we must again encounter in the country that exploded doctrine, "No Banks." Ten years ago, the people solemnly passed their opinion upon the whole of this contemptible and unreasonable opposition, and crushed it to the earth. But here "Monsieur Tonson" comes again, in all its beauty.

Banks, when guarded by the restrictions of law, and controlled by such a supervision as exists in our State, are essential to the commercial welfare of the country. The bills which they issue, if the directors have done their duty, are representatives of the property of the debtors of the bank, and in the deficiency of coin, can answer an essential benefit as a circulating medium between man and man. The immediate destruction of all these institutions would embarrass the operations of trade, raise the value of money, and send commerce between man and man back to the primitive condition of barter. And for what use? Simply, that an unreasonable and unfounded hostility against banks existing in the Democratic party should be gratified. — *Cincinnati Gazette.*

LAW FEES. — Lord Eldon relinquished his practice at the bar in 1799, and was then appointed Chief Justice of the Court of Common Pleas. It appears from his fee books, as far as they were preserved, that his annual receipts when at the bar were as follows.

In 1785,	£6,054	In 1790,	£ 9,684	In 1795,	£11,149
" 1786,	6,833	" 1791,	10,213	" 1796,	12,140
" 1787,	7,600	" 1792,	9,080	" 1797,	10,861
" 1788,	8,419	" 1793,	10,330	" 1798,	10,537.
" 1789,	9,559	" 1794,	11,592		

From 1792 to 1798, an average annual income of fifty-two thousand dollars. His removal to the bench was, of course, a great sacrifice of income, — but he considered that his health and comfort required his relinquishment of the laborious office of Attorney-General, to which he had been appointed in the year 1793.

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Stocks and Exchanges.

State Securities, July 25, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	105	"
New York,	6	"	1860	111	" 112
"	6	"	1865	116	" 117
"	5	"	1858	105	" 106½
"	5	"	1866	105½	" 107
Pennsylvania,	6	"	1879	107	" 107½
"	6	"	past due,	99½	" 100⅛
"	5	"	. . .	93½	" 94
Maryland,	6	"	. . .	104	" 105
"	5	"	. . .	88	" 90
"	5	"	sterling,	99	" 100
Virginia,	6	"	. . .	104	" 105
South Carolina,	6	"	. . .	100	" 104
Ohio,	5	"	1856	100	" 102
"	6	"	1870	110	" 114
"	7	"	1851	103	" 103½
Kentucky,	6	"	. . .	106	" 106⅛
"	5	"	. . .	87	" 88
Tennessee,	5	"	. . .	85½	" 86
"	6	"	. . .	104	" 105
Indiana Bonds,		"	. . .	47	" 50
Indiana State,	5	"	. . .	77⅛	" 78½
Alabama,	5	"	. . .	82	" 85
"	6	"	. . .	85	"
Arkansas,	6	"	. . .	45	" 53
Illinois Int. Imp. Stock,			. . .	49	" 50
" Interest Stock,			. . .	26	" 27

Baltimore, July 24.

Baltimore, 6 per cent.,	1890	105⅛	to 106
B. and Ohio R. R. Stock,		68¼	" 68⅛
" " Bonds,	1854	99	" 100
" " Div. Bonds,		94	" 95⅛
Bank of Baltimore, . .	100	94	" 94½
Merchants' Bank, . . .	100	97⅛	" 99
Union Bank, ...	75	69½	" 70½
Mechanics' Bank, . . .	15	16	" 16½
Commercial and Farmers',		33½	38 " 40
Western Bank, ...	20	21	" 21½
Farmers and Planters', .	25	25	" 27
Chesapeake Bank, . . .	25	25½	" 26½
Marine Bank, ...	30	28½	" 30
Farmers and Merchants',	40	38⅛	" 40
Franklin Bank, ...	12½	11	" 12
Farmers' Bank of Maryland,	50	50	" 51
Patapsco Bank, ...	25	22	" 24½

Philadelphia, July 23.

U. S., 6 per cent.,	1856	107	to
" "	1862	110½	" 111¼
" "	1867	114¼	" 114⅝
" "	1868	115	" 115¼
" Coupons,	1868	115⅛	" 117½
" 5 per cent.,	1853	101	"
" Treasury Notes, 6 p. cent.,		114½	" 115½
Philadelphia, 6 per cent.,		113	" 113¼
Nashville, 6 per cent.,	100	92	" 93
Alleghany, "	100	84	" 85
Cincinnati, 6 p. ct., water-works,		99	" 100
Pittsburg, 6 per cent., . . .		94	" 94½
St. Louis, " "		95	" 97
Bank of Pennsylvania, .	100	116	" 116½
" North America,	100	133¾	" 135
Philadelphia Bank, . . .	100	137	"
Farmers and Mechanics',	50	68	" 68½
Commercial Bank, . . .	50	61¼	" 61⅝
B. Northern Liberties, .	35	53	" 55
Mechanics' Bank, . . .	20	28⅜	" 28½
Southwark Bank, . . .	50	70	"
Kensington Bank, . . .	50	63	"
B. Penn Township, . .	22½	28⅞	" 29⅛
Western Bank, ...	40	62	" 68
Manuf. and Mechanics', .	25	26⅞	"
Bank of Commerce, . .	50	60	"
Girard Bank, ...	12½	12⅝	" 12¾
Bank of Pittsburg, . . .	50	50	"
Exchange Bank, . . .	50	47½	" 48
Merchants and Manuf., .	50	47½	" 48
United States Bank, . .		52	"
Bank of Louisville, . .	100	101	" 102
Northern Bank, Ky., . .	100	105	"
Bank of Kentucky, . .	100	103	" 103½
Union Bank, Tennessee,	100	64¾	" 66
Planters' Bank of Tenn.,		64¼	"
N. O. Gas Light Bank. Co.,		112	" 112½
Morris Canal, ...	25	15¾	" 16
Reading Railroad, . . .	50	24	" 24½
" Bonds, 6 p. cent.,	1870,		
" Mortgages,	1860,	73	" 73⅜
Com. and Vicks. R. R. B.,	100	15	" 16
Phil. and Trenton Railroad,	100	145	" 150
Phil., W., Balto. Railroad,	50	23½	" 24½
Harrisburg Railroad, . .	50	46⅜	" 46¾
Schuylkill Navigation, .	50	56	" 57
Camden and Amboy R. R.	100	155	" 160

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New York, July 23.

Bills on London, 60 days,		110¼	to 110⅛
" Paris,		522½	" 521¼
" Amsterdam,		40⅜	" 40⅝
" Hamburg,		35⅞	" 36
" Bremen,		79¾	" 80
N. Y. City, 7 per cent.,	1857	111	" 112½
" 5 "	1856	102	" 104
" 5 " W. Ln.,	1858	102	" 103½
Brooklyn City, 6 per cent.,		104½	" 106
Albany " 6 "		103½	" 105½
Columbus " 7 "		97	" 100
Erie R. R. Bonds,		107½	" 107⅝
Hudson River R. R. Bonds,		103	" 103¼
Hartford and New Haven R. R.,		118	"
N. Y. and Erie R. R.,	7	102½	" 102⅝
Syracuse and Utica,	8	146	"
Auburn and Rochester,	8	93	"
Long Island Railroad,		10½	"
Providence and Stonington,		40¼	" 41½
N. Y. and New Haven R. R.,		108½	" 109
Paterson Railroad,		85	" 95
Tonawanda Railroad,	20	115	" 116
Harlaem Railroad,		61	" 61½
Mohawk Railroad,		88¾	" 88½
Utica and Schenectady,		131½	" 135
Hudson River Railroad,	6	73½	" 74
Bank of New York,	10	136	"
Manhattan Bank,	7	117	" 118
Merchants' Bank,	8	116½	"
Mechanics' Bank,	5	120	"
Union Bank,	10	130	"
Bank of America,	7	107¾	" 108
City Bank,	8	121	"
Phenix Bank,	6	103½	" 104
Tradesmen's Bank,	15	140	" 141
Fulton Bank,	10	118	" 119
Del. and Hudson C. Co.,	24	150½	" 157
Butchers and Drovers',	10	125¾	" 127
National Bank,	8	113	" 114
Merchants' Exchange,	8	111½	" 112
Leather Manufacturers',	7	112	" 112½
Bank of the State of N. Y.,	7	105	" 106
Bank of Commerce,	6½	107½	" 108
Mech. Banking Association,	7	99	" 100
American Exchange Bank,	8	117	" 119
N. Y., L. I., and T. Co.,	8	120	" 125
Farmers' L. and T. Co.,		42⅜	" 42¾
Ohio Life and T. Co.,		105½	"
Canton Co.		46½	" 46⅝
Bank of Louisiana,	8	126	" 130
Louisiana State Bank,	6	92	" 96
N. O. Canal and B. Co.,	6	86	" 87
Mech. and Traders' N. O.,	6	91	" 94

Boston, July 25.

Boston, 6 per cent., 1853,		103	to
" 5 " 1860,		100	"
East Boston Co.,		15⅛	" 15⅝
Atlantic Bank,		110	" 111
Atlas Bank,		101	" 102
Boston Bank (par 50),		57	"
Boylston Bank,		106	" 107
City Bank,		104	"
Cochituate Bank,		103	"
Columbian Bank,		103	"
Eagle Bank,		104	"
Exchange Bank,		105	"
Freeman's Bank,		110	" 111
Globe Bank,		110	" 112
Granite Bank,		104	"
Grocers' Bank,		96	"
Hamilton Bank,		103	"
Market Bank (par 70),		82	" 83
Massachusetts Bank (par 250),		240	" 245
Mechanics' Bank,		107	" 108
Merchants' Bank,		110	"
New England Bank,		110	"
North Bank,		100	"
Shawmut Bank,		104	"
Shoe and Leather Dealers' Bank,		113	"
State Bank (par 60),		63	"
Suffolk Bank,		135	"
Traders' Bank,		105	"
Tremont Bank,		104	"
Union Bank,		104	"
Washington Bank,		99	"
Boston and Lowell R. R. (par 500),		562½	"
" Maine Railroad,		103¾	"
" Providence Railroad,		80	"
" Worcester "		93½	"
Concord Railroad (par 50),		55	"
Connecticut River Railroad,		90	"
Eastern Railroad,		100¼	"
Fall River Railroad,		80	"
Fitchburg Railroad,		110¼	"
Hartford and New Haven R. R.,		114	" 116
Nashua and Lowell Railroad,		108	"
Norwich and Worcester Railroad,		41	"
Northern Railroad,		64½	"
Old Colony Railroad,		54½	"
Stonington "		41	"
Vermont and Mass. Railroad,		27	"
Vermont Central Railroad,		27½	"
Western Railroad,		99¾	"
Albany W. Railroad, 6 per cent.,		106	"
Michigan Central Railroad,		82	"
New Bedford and Taunton R. R.,		105	" 106
Rutland Railroad,		45	"

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BANK ITEMS.

BOSTON. John B. Wetherbee, Esq., has been chosen Cashier of the North Bank, in place of John J. Loring, Esq., resigned. Oliver Eldredge, Esq., has been chosen President of the same institution, in place of James Harris, Esq., resigned.

FRAMINGHAM BANK. Sullivan Fay, Esq , of Southboro', has been elected President of the Framingham Bank, and Francis Jaques has been elected Cashier of the same, in place of Oliver Dean, Esq., and Edward Ilsley, Esq., resigned.

CHELSEA. William R. Pearmain, Esq , has been elected Cashier of the Tradesmen's Bank, at Chelsea: a new institution, chartered by the Legislature in 1850.

MAINE. Bills have been passed for the incorporation of the Merchants' Bank, Bangor; the Exchange Bank; and to increase the capital of the Manufacturers and Traders' Bank, at Portsmouth.

VERMONT. The Missisquoi Bank, at Sheldon, Vermont, commenced business on the 26th June last, having been incorporated in November, 1849. The capital is limited to $ 50,000, of which $ 35,000 are paid in. William Green, Esq., President. H. Howes, Esq., Cashier.

NEW YORK. New Banks established in 1850.
Farmers' Bank, of Hamilton Co., Arietta. — Agents, C. & E. Fleming.
Western Bank, Cambridge, Washington Co., — Agents, Washburn & Co.
Warren County Bank, Johnsburg. — Agents, Washburn & Co.

MARINE BANK OF BUFFALO. The organization of this institution has been perfected by the election of the following gentlemen, well known as some of the most wealthy and influential of the leading business men of the State, to constitute the Board of Directors: —

James S. Wadsworth, Dr. J. P. Beekman, George Palmer, James M. Ganson, William R. Gwinn, John Magee, Constant Cook, and John Arnot.

At a subsequent meeting of the Board, GEORGE PALMER, Esq., was duly elected *President*, and JAMES M. GANSON, *Cashier*.

The capital stock of this Bank has been paid in and awarded as follows: —

James S. Wadsworth, of Geneseo, $ 40,000; Dr. J. P. Beekman, of Kinderhook, $ 30,000; John Magee, of Bath, $ 10,000; Constant Cook, of Bath, $ 10,000; William R. Gwinn, of Medina, $ 10,000; John Arnot, of Elmina, $ 20,000; James M. Ganson, of Buffalo, $ 25,000; George Palmer, of Buffalo, $ 25,000.

It will be opened for the transaction of business on or about the 15th of August next, and we understand is to be *purely* a bank of circulation, discount, and deposit. — *Buffalo Commercial Advertiser, July* 11.

BANK OF FISHKILL. This institution, organized under the Free Banking Law, commenced business under the most favorable auspices, on the first day of June, at the village of Fishkill, with a capital of $ 120,000, all paid in.

Its circulating notes are secured wholly by stocks of the State of New York, and of the United States, and are all redeemed at par in the city of New York, at the North River Bank.

The officers of the Bank are as follows, viz.: —

Samuel A. Hayt, President; John H. Rosa, Vice-President; James E. Van Steenburgh, Cashier; Guernsey Smith, Teller; John S. Taylor, Bank-Attorney.

The new banking-house, which is situated in the southerly part of the village, built of brick, and entirely fire-proof, is nearly completed, and presents a beautiful appearance. It is expected that it will be ready for the business of the Bank, about the first of July.

MECHANICS' BANK OF PHILADELPHIA. The Board of Directors have resolved to offer to the Stockholders, Seven Thousand Shares of the Stock of the Bank, now held by the Banks at twenty-eight dollars per share, with interest from 1st inst.

Application to be made before the 1st day of August ensuing, to the President and Cashier.

By order of the Board of Directors.

WILLIAM THAW, Cashier.

Philadelphia, July 6, 1850.

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PENNSYLVANIA. The following Banks were rechartered at the last session of the Legislature of Pennsylvania, each for fifteen years.

1. Kensington Bank, Philadelphia,
2. West Branch Bank, Williamsport,
3. Harrisburgh Bank,
4. Exchange Bank, of Pittsburgh,
5. York Bank, at York,
6. Bank of Pittsburgh,
7. Wyoming Bank, Wilkesbarre,
8. Farmers' Bank of Lancaster,
9. Lancaster County Bank, Lancaster,
10. Miners' Bank, Pottsville.

The Banking House of Longenecker, Grubb, & Co., Lewiston, charter extended. No new Banks were incorporated.

PENNSYLVANIA BANK CAPITAL. Notice has been given that application will be made to the next Legislature for the following new Banks, and increase of Bank capital.

Blair County Bank, Hollidaysburgh, capital,	$ 200,000
Spring Garden Bank, Philadelphia County, capital,	250,000
Southwark Bank, Philadelphia, *increase*,	150,000
Mechanics' Bank, of Philadelphia, *increase*,	200,000
Dauphin Deposit Bank, Harrisburgh, *increase*,	150,000

FARMERS' BANK, OF MARYLAND. — *Annapolis, June 20th*, 1850. Notice is hereby given, that from and after the first day of October next, this Bank will discontinue the practice of taking endorsers upon notes offered for Discount, and will require the parties to such notes, to sign the same as drawers, making themselves jointly and severally bound to pay to the order of the President, Directors, and Company of the Farmers' Bank, of Maryland, the sums specified therein, at their Banking House, in Annapolis. THOMAS FRANKLIN, Cashier.

EXCHANGE BANK OF VIRGINIA. The Direction of this Bank, over and above the usual dividend made out of the last six months' profits, have declared an extra dividend out of the excess of the contingent fund. The law requires that no Bank shall declare more than six per cent. per annum, unless there be at the time on hand a fund of five per cent. on the capital to meet bad debts, emergencies, &c. This extra dividend leaves, as we understand, a sum considerably beyond the five per cent. required by law; while the Bank adheres to its regular annual dividend of seven per cent. per annum.

Two new Branches of the Exchange Bank of Virginia have been authorized during the present year, viz. one at Salem, and one at Lewisburg, with a capital of $ 100,000 each. Neither of these has yet been organized.

NEW YORK, 24 July. — The arrival of two steamers' mails within a few hours of each other has given a good deal of activity to the market, and the general effect has been to produce still easier rates. Money continues easy abroad, and confidence in American credit seems undiminished. We notice a quiet but steady demand for our national stocks from Central Europe. Those who remember the permanent character of German investments can judge of the difficulty of bringing stocks thus controlled again into market. In the earlier history of our country, our government bonds were retained by buyers there, even long after the interest on them had ceased, holders not caring to exchange the principal for any funds thus obtainable.

The news has had the effect to depress exchange, owing to anticipated heavy shipments of cotton, consequent upon the advance. Sterling was active to-day at 10 to 10¼ for prime bills, although a leading drawer asks 10⅜. Continental bills are yet nominal. — *Journal of Commerce.*

LONDON, 12 July. American Stocks. — There have been within the last few days sales to a fair extent at our quotations of United States six per cent. stocks, and of Massachusetts, and there is to-day some demand at our highest rates. The other quotations are nominal. — Small parcels United States stocks continue to come from the Continent for realization. Some New York State stock has been sold at a reduction on our last rates. United States 6's, '67, 104½ to 105; do. '68, 106 to 107; Illinois Internal Improvement, 44 to 46; do. referred, 20 to 22; Indiana State 5 s, 69 to 71; Massachusetts sterling, 107 to 107½; Maryland sterling, 80 to 81; Ohio 6's, 1860, 99 to 161; do. '70 to '75, 107 to 109; Pennsylvania 6's, 82½ to 84; Canada 6's, dividend from 1st of August, 90 to 100.

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NEW HAMPSHIRE. The Legislature has chartered the following new Banks.

Carroll County Bank, Sandwich,	capital, ...	$ 50,000
Pittsfield Bank, Pittsfield,	capital, ...	50,000
Warner Bank, Warner,	capital, ...	50,000
Monadnock Bank, Jaffrey,	capital, ...	50,000
Amonoosuc Bank, Bath,	capital, ...	50,000
White Mountain Bank, Lancaster,	capital, ...	50,000

The Amoskeag Bank, at Manchester, has been authorized to increase its capital from $ 100,000, its present amount, to $ 150,000, and the Claremont Bank from $ 60,000 to $ 100,000.

KENTUCKY BANKS, July 1.	*Capital.*	*Circulation.*	*Specie.*	*Loans.*
Bank of Kentucky,	$ 3,700,000	$ 2,618,000	$ 1,198,000	$ 4,888,000
Northern Bank,	2,250,000	2,371,000	1,016,000	4,022,000
Bank of Louisville,	1,080,000	1,154,000	647,000	1,714,000

KENTUCKY. The following are the names of the Presidents and Cashiers of the Farmers' Bank of Kentucky and Branches: —

Location.	*President.*	*Cashier.*
Frankfort,		John B. Temple.
Covington Branch,	C. A. Withers.	C. B. Sanford.
Maysville "	J. P. Dobyns.	J. A. Johnson.
Mt. Sterling "	Richard Apperson.	J. C. Barnes.
Henderson "	Owen Glass.	David Banks.
Princeton "	F. W. Ury.	C. B. Henry.
Somerset "	Cyrenius Waite.	John B. Curd.

NORTHERN BANK. — Thomas Kelly, Esq., has been appointed Cashier of the Branch Northern Bank of Kentucky, at Paris, in place of Thomas Y. Brent, Esq., resigned.

LOUISVILLE. — C. Coleman, Esq., has been elected President of the Northern Bank of Kentucky, at Louisville.

KENTUCKY DIVIDENDS, JULY, 1850. — Bank of Kentucky, five per cent. Northern Bank, seven and a half per cent. Bank of Louisville, four per cent. ☞ *Dividends not called for in six months will revert to the Banks.*

NEW ORLEANS. — U. H. Dudley, Esq., was on the 24th June last, elected President of the Mechanics and Traders' Bank, at New Orleans, in place of George Morgan, Esq., deceased.

UNITED STATES BANK. — The unclaimed dividends of the United States Bank, whose charter expired on the 4th of March, 1811, have just been advertised. They number 265, and amount to about $ 15,000. Among the foreign stockholders we find the name of her late royal highness, ANN, Duchess of Cumberland, to whom $ 40,50 are due.

Notes on the Money Market.

BOSTON, 25TH JULY, 1850.

WE have to remark continued ease in the money circles of the Atlantic cities. Wall Street and State Street furnish abundant means for the business community in its legitimate transactions. There is observable, as has been the case for two years past, a marked difference in the rates of money at New York and Boston. The former may be said to have more means than the latter, when the business of the two cities is compared. New York has more floating capital, awaiting permanent or temporary investments, and, as the grand commercial and financial centre of the Union, it is the depository in part of every

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State and of every city in the country. Probably six hundred banks, throughout the various States, maintain liberal balances at New York. These balances range from five thousand to one hundred thousand dollars each, forming an aggregate of about seventeen millions of dollars, according to the official returns. There is nearly as large a sum also in the aggregate due by the New York city banks, directly or indirectly, to remote depositors, mostly brokers and private bankers. Thus one half of the thirty-five millions held as *individual deposits* may be said to belong to non-residents, remitted directly by the parties as funds against which to draw; or remitted to correspondents at New York for a similar purpose, deposited by them, and thus held to meet the drafts or orders of their correspondents.

There are no data upon which to form a correct estimate of the daily cash operations of Wall Street by the banks alone. A clearing house, similar to that of London, would show the aggregate of each year and each day, but, without such a medium, no reliable statement can be made. The transactions of the London Clearing House for the year 1840 were nearly one thousand millions sterling, or about fifteen millions of dollars daily, — and this too including the business of only a portion of the private bankers, and excluding the banks.

Money in Wall Street may be quoted at 4 per cent. for loans on stocks, 5 per cent. for business paper of the first order, and 6 to 8 per cent. for other paper of less grades.

In State Street good paper is worth 6 to 8 per cent. The New York banks exhibit specie balances to the amount of $ 10,700,000, and loans $ 59,800,000. These are heavier aggregates than at any previous date, and show conclusively the abundance of money. Their published statements at three periods during the past year show the following results: —

	June 29, 1850.	*March* 30, 1850.	*Dec.* 29, 1849.
Capital,	$ 27,294,000	$ 26,740,000	$ 25,439,000
Loans and Discounts,	59,888,000	56,420,000	53,360,000
Specie,	10,650,000	6,861,000	7,169,000
Circulation,	5,918,000	6,725,000	6,013,000
Deposits,	35,861,000	32,067,000	28,868,000
Due to Banks,	17,491,000	12,160,000	11,658,000

Stocks maintain good prices in almost every instance. State securities have attained high figures since January last, and several city six per cent. loans have been recently negotiated at par. Kentucky six per cents have risen within six months from 102¼ to 106¼. Indiana from 43½ to 48. Pennsylvania five per cents from 39½ to 94. Baltimore and Ohio railroad shares from 54½ to 68. Pittsburg, Nashville, and St. Louis city six per cents range from 90 to 96. Brooklyn, Albany, Baltimore, Philadelphia, and Boston six per cents range from 102 to 106. The sales of Ohio, Kentucky, Maryland, Tennessee, and Pennsylvania stocks have been unusually large within the present month. There is good ground for the rise in Pennsylvania stocks.

The Secretary of the Canal Board has furnished a statement for publication, showing that the tolls on the public works of Pennsylvania, from the 30th November last to the 30th June, 1850, is . . . . . $ 891,973.55

For the same period last year, ... 798,370.42

Showing an increase of about thirteen per cent., which will probably be sustained during the entire season.

Virginia is about embarking in a more liberal system of internal improvements. Railroad bonds guaranteed by the State are now offered to capitalists.

Sterling bills are still above the specie point. Bills for the steamer of the 24th brought 110½ for prime signatures, and 109 to 110 for Southern signatures.

The receipts of gold from California are about two and a half millions for the month of July. Should the arrivals continue at the same rate as since January last, there will be fully twenty millions added to the coin of the country during the current year. The aggregate receipts of gold from California in 1849 were $ 5,550,000; and from January last to 20th June, about $ 10,200,000. The gold coinage for the last six months has exceeded ten millions of dollars.

Several incorrect statements having been recently made as to the capital, circulation, and coin of the banks throughout the Union, we have prepared the following tabular view,

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which is generally based upon official returns, and in some few instances upon private information. This table may be considered as correct as such a digest can be, — drawn from such a variety of sources. It is to be regretted that in some States there are no laws to enforce periodical and published statements of their banks. For the want of such laws in Maryland, Georgia, South Carolina, Delaware, and a few other States, we cannot ascertain the exact condition of all their banks during any fixed period. Our statements are in such cases prepared from authentic materials.

TABULAR VIEW OF THE POPULATION, NUMBER OF BANKS, BANK CAPITAL, CIRCULATION, AND SPECIE, OF THE SEVERAL STATES IN 1849 – 50.

[Those marked * are *in part* estimated.]

States.	*Estimated Population.*	*No. of Banks.*	*Capital.*	*Circulation.*	*Specie.*
New York, Country, .	2,400,000	162	$ 20,800,000	$ 19,000,000	1,000,000
New York City, . .	500,000	28	26,740,000	6,300,000	10,000,000
Pennsylvania, Country,	2,200,000	36	7,800,000	7,250,000	2,146,000
Philadelphia, . .		16	10,670,000	4,130,000	4,113,000
Ohio, ...	1,980,000	56	7,130,000	10,450,000	3,240,000
Virginia, . . .	1,295,000	36	8,866,000	7,170,000	2,280,000
Massachusetts, Country,	835,000	95	15,000,000	9,600,000	645,000
Boston, . . .	138,000	27	19,730,000	5,900,000	2,100,000
Tennessee, . .	980,000	20	8,000,000	* 3,600,000	* 1,400,000
Kentucky, . . .	890,000	16	7,030,000	6,140,000	2 860,000
Georgia, . . .	825,000	20	5,118,000	* 3,030,000	* 1,600,000
Indiana, . . .	1,000,000	13	2,082,000	3,300,000	1,280,000
Illinois, . . .	800,000	.	. . .	. . .	. . .
North Carolina, . .	780,000	19	3,725,000	* 3,400,000	* 1,530,000
Alabama, . . .	716,000	1	1,500,000	* 2,500,000	* 1,000,000
South Carolina, . .	620,000	14	11,430,000	* 5,840,000	* 2,116,000
Maine, . . .	615,000	32	3,150,000	2,300,000	430,000
Maryland, . . .	510,000	23	8,980,000	* 3,000,000	* 2,500,000
Missouri, . . .	590,000	6	1,208,000	2,400,000	2,200,000
Louisiana, . . .	490,000	6	14,280,000	4,500,000	7,300,000
New Jersey, . .	425,000	24	3,596,000	1,880,000	620,000
Michigan, . . .	420,000	6	* 900,000	* 1,500,000	* 600,000
Connecticut, . .	340,000	41	9,907,000	5,250,000	640,000
Vermont. . . .	310,000	23	1,820,000	2,300,000	120,000
New Hampshire, .	308,000	22	2,200,000	1,750,000	150,000
Rhode Island, . .	135,000	63	11,210,000	2,540,000	260,000
Wisconsin, . . .	250,000	1	225,000	* 300,000	* 100,000
Delaware, . . .	85,000	9	1,440,000	* 500,000	* 150,000
Arkansas, . . .	200,000	..	. . .	. . .	. . .
Texas, . . .	150,000	1	300,000	* 600,000	* 200,000
Mississippi, . .	670,000	1	* 150,000	* 200,000	* 50,000
Florida, . . .	80,000	..	. . .	. . .	. . .
Iowa, ...	150,000	1	150,000	* 250,000	* 50,000
D. Columbia, . .	50,000	4	1,300,000	$ 500,000	* 200,000
Total, 1849 - 50, .	21,737,000	822	$ 216,476,000	$ 127,380,000	$ 52,880,000

It will be observed that Illinois, Florida, and Arkansas have no banks within their limits. They are thus compelled to use the bank circulation of their adjoining States.

The demand from abroad for State securities has, in some degree, diminished, owing to the unsettled questions before Congress, and to the large remittances of this character that have been made during the year 1850.

DEATH.

At Georgetown, D. C., on Monday, 15th July, John Kurtz, Esq., aged sixty-four years, President of the Farmers and Mechanics' Bank at that place.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. SEPTEMBER, 1850. No. III.

PRINCIPLES OF LIFE INSURANCE.

Extracts from a pamphlet, entitled "Practical Remarks on the Present State of Life Insurance in the United States, showing the Evils which exist, and Rules for Improvement. By H. G. Tuckett." Philadelphia. 1850.

LIFE INSURANCE is not a speculation, for the principle of Life Insurance is based upon sound mathematical calculation, and will not admit of any variation. It is a plain matter of fact, — "two and two make four." Different offices, to make their prospectus more tempting, may vary the position of the four units as they like; they may call "one and three" a better four than "two and two," or prove that "one, and two, and one" is a superior four to either; and as long as they only make FOUR, whether the Company be PROPRIETARY or MUTUAL, matters not; but the moment they profess to the insurers they have discovered a new method of making "TWO and TWO into FIVE," the Company may be set down as rotten, totally unworthy of public confidence, and sure to result in ultimate loss and dishonor to every one connected with the scheme, — in the robbery of the widow and orphan.

There are three descriptions of LIFE INSURANCE Companies: —

PROPRIETARY, which has a paid-up capital and contracts to pay a specified sum at the decease of the insured, without either increase or reduction in the amount of policy. These are mere trading companies, selling assurances to policy holders, as a merchant sells goods to his customers, and depending upon their good opinion.

The excellence of this class of office should be the superiority of the

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security, — and the exemption of the assured from all responsibility from the engagements of the Company. They charge a proportionately lower rate of premium.

THE MUTUAL.—The policy holders are each ASSURERS as well as ASSURED, and consequently should be liable to all LOSSES, as well as entitled to all the PROFITS of the Association. The best authorities on life assurance say, "for a Mutual Life Insurance Company to succeed, the early members must contribute in *a much higher degree* than the subsequent members; indeed, there can be no doubt that the very large surplus capital accumulated in the London Equitable Society has been derived from the *unduly excessive* rates of premium contributed by the early members, the benefits of which are altogether enjoyed by the families of others."

"It would thus seem evident that however much a Mutual Assurance Society may be a desirable office for a policy holder in its *maturity*, it cannot be so considered in its *infancy*, as it must, in order to be *safe*, require of its members a larger amount of contribution than would, under ordinary circumstances, be sufficient to provide for the claims assured."

Many Mutual Insurance Companies set forth the immense advantages which have accrued to the policy holders in the LONDON EQUITABLE, as showing what may be done by MUTUAL COMPANIES in the United States; but in doing so, they are guilty of the grossest ignorance or the grossest deceit, inasmuch as they suppress the truth and cause of such success. The LONDON EQUITABLE was started in the year 1762. To a policy holder 30 years of age the premium charged was $4 per $100, whereas the highest premium charged in the United States by MUTUAL OFFICES is 2\frac{36}{100}$ per $100. In 1782, AFTER TWENTY YEARS' EXPERIENCE, the Equitable declared their first dividend of one and a half per cent., or 30 per cent. for the twenty years.

Contrast this with those "MUTUALS" who, in the first year, declare scrip dividends of 80 per cent.; thus entailing an enormous load of debt for future years upon the Company, whilst their premium is SEVENTY per cent. lower than the EQUITABLE (the office they quote from) was at its commencement.

In 1815, the London Equitable, at a meeting of their POLICY HOLDERS, passed a resolution that only the first FIVE THOUSAND policies on the list should share in the profits; there being then NINE THOUSAND policies in existence. In consequence of this rule, it now requires a policy to be held at least TWENTY-TWO YEARS before the party can participate in the profits. In the United States, there are Mutual Companies pretending to be based upon the principles of the London Equitable, in which, if the insurer will pay a premium on the 31st December, they will give him a dividend *three* times as large as that of the Equitable on the first day of January. In one night the great "Mutual" power works a whole year's profit!!!!

Out of eighty Life Insurance Companies in London, six only are Mutual Companies, — the remainder offering the advantages of the "mixed"; that is, a low rate of premium if the party insure without

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profits; a higher rate if he insures with a participation to the extent of two thirds of the profit.

A GUARANTEE CAPITAL is in fact no capital, but useful as a means of paying five per cent. per annum to certain individuals for their own profit and emolument. An actual paid-up capital in Life Insurance is invested and earns in the public securities its own dividend of six per cent.; but a guarantee capital is a note placed in an iron safe, promising at some time to pay somebody a sum for which no consideration has been received, and for which the giver is to receive a percentage of five per cent. A stockholder in the one case has a direct interest in the prosperity of the institution, because he has paid his money, and fears to lose it; in the other, the maker of a guarantee note has to foster in the insurers a belief in a nominal prosperity, by granting imaginary profits to them, and thus securing his own annuity from the Company. Much odium has been thrown on Proprietary Companies by the oft-repeated "assertion," that they take the *profits* which justly belong to the assured. A Mutual office that gives *five per cent.* for a guarantee capital is precisely similar to a Proprietary Company that pays its stockholders *eleven per cent.*, — only the Proprietary Company have the *money actually invested*, whilst the "Mutual" have promissory notes of questionable value.

There is no analogy between guaranteeing the payment of a commercial note, which is put into circulation, — for which a consideration is received, and which becomes due at a given period, — and the so-called guarantee capital of a Life Insurance Company, which guarantee notes have no one principle of fixedness, and are in the safe-keeping of the very persons who, if the notes were worth any thing, would be liable for their payment, and who have the power to withdraw themselves from the institution whenever they foresee difficulties arising.

Of all the evils of Life Insurance most to be dreaded, — and to which small Proprietaries are peculiarly prone, — is an inclination to LITIGATE. No man desires to leave a lawsuit as an inheritance to his widow and children. Yet, where a Life Insurance Company has an inclination that way, the best intentions of the insurer may be thwarted, and the machinations of a dishonest company be successful. A policy of Life Insurance is not, as generally supposed, a simple contract, — but it is a contract upon a warranty. In effecting an insurance, four different papers are signed by four different parties, namely, the applicant, the medical examiner, the family physician of the applicant, and by a personal friend; and these four papers must agree, or the warranty is bad, though three of the documents are never seen by the insured. If any fact is withheld, though *not material* to the cause of death, the policy is void. For instance, a man drowned at sea, having omitted to state that he had had an attack of gout, would void the policy; though the fact of his having had the gout is not material to his being drowned.

It therefore behooves a person about to insure his life to have special regard to the character of an office on this point. Should he find, on inquiry, that an office is inclined to litigate *any* claim, — that the trustees prefer tedious and vexatious delay to arbitration, — that they do not meet demands upon them, *of whatever nature*, in a spirit of equity and

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liberality, — that, rather than court inquiry into the justice of the claim, they endeavour to evade it by malicious insinuations or fraudulent trickery, — in such cases, let the insurer avoid the office as he would a pestilence, no matter how tempting their offers may be.

The causes which chiefly lead to litigation are low premiums and high dividends or profits, — and note of hand payments, and all other modern "benefits," under whatever name they may be granted. These are the overtrading of Life Insurance; and, to repeat the words of Mr. Griffith Davis, "Whatever capitals they may boast of (*cash*), or however prosperous they may *appear* to go on, even for a considerable time, — the result must ultimately terminate in *litigation*, *disappointment*, and *ruin*."

THE HISTORY OF BANKING.

From the London Bankers' Magazine, August, 1850.

The History of Banking, with a comprehensive Account of the Origin, Rise, and Progress of the Banks of England, Ireland, and Scotland. By William John Lawson. London: Richard Bentley.

WITHIN the last few years, and even since the establishment of our Magazine, the literature of banking has assumed a different character to that which it previously presented. The race of currency essayists has given place to the historians and statists. We are no longer inundated by pamphlets on the national debt and new systems of currency; and the old race of writers, who exhausted their own powers and their readers' patience in endeavouring to solve the problem, when the national debt would or could be extinguished, have now given place to a more interesting class of authors, who make facts and statistics the groundwork of their labors. We say nothing in disparagement of the old currency pamphleteers. Although they materially assisted in rendering "the currency question" a bugbear to those who had no hobby of their own on the subject, they did good service in the cause of truth by keeping the question continually before the public; and it would ill become those who are now benefiting by their labors, to disparage their exertions. But we confess we would rather have a few such works as Francis's "History of the Bank of England," and the volume before us, than many hundred volumes of the essays on banking and the currency which have previously been issued.

Mr. Lawson has given us a very interesting volume, as his contribution to the History of Banking. He has taken great pains to make his work accurate; and as it is the result of many years' labor and research, it possesses a higher value than could be claimed for a more ephemeral publication. He presents us with a good general view of the state of

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banking, and incidentally of commerce also, from the earliest periods to the present time; and he has interwoven his facts so pleasantly with anecdotal narrative, that the work will be found interesting by all classes of readers. As a specimen of the manner in which this "History of Banking" is written, we quote the following from the earlier portions of the volume, leaving various interesting topics referred to for another notice.

EARLY JEWISH BANKERS IN ENGLAND.

The Jews were originally introduced into England by William the Conqueror, and to them belongs the merit of benefiting commerce by that important improvement, — the inventing bills of exchange. Their industry and frugality caused them to accumulate vast sums of money, which the idleness and profusion common to the English nobility in those days enabled them to lend out at a high rate of interest, upon the security of property. They were the principal artificers of the time, and wrought most of the gold and silver ornaments for the use of the churches, which on many occasions they were afterwards called upon to take as pledges for the repayment of money lent to the priors and other ecclesiastics. They were not, however, permitted to enjoy the profits of their trade unmolested; for each successive monarch extorted from them large sums of money, and that frequently by the most barbarous and cruel methods.

It was a custom among the Jews, as well as the Christians, to deposit the securities on which they had lent money in some public building; and at the general massacre of the Jews at York, in the early part of the reign of Richard the First, the gentry of the neighbourhood, who were all indebted to the Jews, ran to the cathedral, the place where their bonds were kept, and made a solemn bonfire of the papers before the altar. The compiler of the "Annals of Waverley," in relating these events, blesses the Almighty "for thus delivering over this impious race to destruction."

It is no part of our business to describe in detail the many atrocities committed by the people of England upon the Jews. Richard the First, after the massacre above related, banished the remainder.

John, experiencing an inconvenience in their absence, tempted them to return, by the promise of allowing them to elect their own High Priest. Even the great charter of our liberties sanctions an injustice to the Jews, by enacting that, "if any person have borrowed money of the Jews, more or less, and die before they have paid the debt, such debt shall not grow whilst the heir is under age."

Edward the First exceeded all his predecessors in atrocity. Fifteen thousand Jews were robbed of all they possessed, and then banished the kingdom. Tovey relates a horrible story in connection with this event. Some of the wealthiest of the Jews, having obtained the king's permission to take with them their property, loaded a ship with immense wealth and set sail; but when they had got to the mouth of the Thames the captain of the ship cast anchor, and, it being low water, the ship rested on the sands. He then persuaded the Jews to leave the ship, and go with

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him on the sands, telling them the tide would not flow for a long time. Having led them some distance from the ship, and finding the tide was coming in, he stole away from them, got on board, and set sail. The wretched Jews, when they discovered their situation, called to him, imploring help; but the captain, mocking them, bade them call upon Moses, who conducted their forefathers through the Red Sea, and so left them to perish.

The captain returned to the king, to whom he related the result of his scheme, and delivered up his treasure, receiving in return both honor and reward. A partial retribution followed this atrocious crime; for by some unaccountable means the whole of the produce of the plunder was squandered, not one penny being set aside for the pious purposes which the king used as a pretext to justify his cruelty.

After this event, no trace of the existence of the Jews in England can be found till long after the Reformation, nor is it necessary for us to trace them further; but simply to record, — extraordinary as it may appear, and yet what from our researches we find, — that this oppressed people paid nearly one third of the whole revenue of the kingdom.

The expulsion of the Jews created great inconvenience, as there were none either to lend money or manage foreign business. At this time the family of Causini were settled as bankers in the principal cities of Italy. Being invited to England, they soon began to practise usury to a greater extent than had been done by the Jews themselves. The old course was in some measure adopted: they were threatened with banishment, and in some instances the threat was carried out. After this they conducted their business with more moderation. In process of time other Lombards settled in London, in the street known by their name, and famous throughout the civilized world as the very centre and focus of monetary transactions, extending in their ramifications to all parts of the globe.

ANCIENT RESTRICTIONS ON THE INTEREST OF MONEY IN ENGLAND.

The principal crime laid to the charge of the Jews and the Lombards was that of practising usury: this offence was in the estimation of the Church so heinous, that it invariably placed all those who took money at usury in the highest rank of excommunicated persons: to such were attributed the omitting of every good, and committing of every evil. *

The enemies of interest made no distinction between that and usury, holding any increase of money to be beyond all question usurious, and thisopinion they grounded on the prohibition of it by the law of Moses; but the Mosaical precept was clearly a political, and not a moral precept. It only prohibited one Jew from taking interest from another; but in express terms (Deut. xxiii. 20) permitted him to take it of strangers. In the dark ages of monkish superstition, such were the ignorance and bigotry of our rulers, that we find, in the year 1342, King Edward the

* In Vol. II. p. 332, of the Rolls of Parliament, there is a petition of the Commons to the king, Edward the Third, praying that the Lombards, following no other mystery but that of broker, may be banished the realm on account of their usury, and being spies, and "*Ont ore tard menez deins la terre un trop horrible vice q' ne fait pas a nomer*," &c.

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Third caused a statute to be passed, "prohibiting usury or interest for money, as being the bane of commerce."

The 37th of Henry the Eighth, cap. 9, is the first statute legalizing the taking of interest, the rate of which was fixed at ten per cent. per annum. In the reign of Edward the Sixth, religious zeal prohibited all interest. The statute of Henry the Eighth was revived by the 13th Elizabeth, cap. 8, which declared that "brokers shall be guilty of *præmunire* who transact any contracts for more than ten pounds to the hundred, and the securities themselves shall be void."

Ten per cent. continued the legal rate of interest till the 21st James the First, cap. 1, which enacted that "all bonds, contracts, and assurances made after the passing of this act, for any usury above the rate of eight per cent. per annum, should be utterly void." The act to continue for seven years; but it was by the 3d Charles the First made perpetual.

Sir Josiah Child, in his "Discourse on Trade," remarks, that "in the year 1635, which was but ten years after the passing of the above act, there were more merchants to be found on the Exchange of London worth each one thousand pounds and upwards, than were before the year 1600 to be found worth one hundred pounds. That the lowering of interest enables merchants to increase foreign trade, whereby home manufacturers and artificers will be increased, as also our stock of other useful people; and the poor will be employed."

The rate of interest of money was further reduced by Cromwell to six per cent.; the same reduction was reënacted after the Restoration by statute 12 Charles II. cap. 13; but the canon law still continued opposed to the practice of interest for money.

By the 12th of Queen Anne, interest of money was reduced to five per cent. per annum, at which rate it still continues, except as applied to loans on personal security by bills of exchange, not having more than twelve months to run.

ANCIENT FORMS OF BILLS OF EXCHANGE.

The Jews were the first inventors of bills of exchange, so called because they afforded the means by which the commodities of one country were readily exchanged for those of another; but, as England during the time of the Anglo-Norman kings had no foreign trade, their use was little known; yet we find that, in the reign of Henry the Third, by the advice of the Bishop of Hereford, such instruments were employed to a very pernicious purpose.

Henry having contracted an immense debt to the Pope, who became very importunate for its settlement, the bishop suggested to the king the following scheme for the payment of his debts without money: — That certain Italian merchants to whom the Pope was indebted should draw bills in favor of their creditors on all the rich bishops, abbots, and priors in England, for certain large sums of money alleged to have been lent by them to those prelates for the benefit of their churches. This iniquitous proposition was adopted by the king. The Bishop of Hereford was sent to Rome to procure the Pope's sanction, which was easily

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secured. Bills to the amount of 150,540 marks were drawn, and forwarded to the Pope's Legate in England; and the prelates, after many remonstrances and threats of excommunication, were compelled to pay them.

Matthew Paris, an English historian and Benedictine monk in the monastery of St. Alban's, whose History, from William the Conqueror to the end of Henry the Third, is always quoted as an authority, in page 286 gives the form of a bill or obligation for the repayment of money upon loan, of which the following is a translation: —

"To all that shall see this present writing, Thomas the Prior and the Convent of Burnwell with health in the Lord: Know ye that we have borrowed and received at London for ourselves, profitably to be expended for the affairs of our church, from Francisco and Gregorio, for them and their partners, citizens, and merchants at Milan, a hundred and four marks of lawful money sterling, thirteen shillings and four pence sterling being counted to every mark; which said one hundred and four marks we promise to pay back on the feast of Saint Peter ad Vincula, being the first day of August, at the New Temple in London, in the year 1235. And if the said money be not all paid at the time and place aforesaid, we bind ourselves to pay to the aforesaid merchants, or any one of them, or their certain attorney, for every ten marks, forborne two months, one mark of money for recompense of damages which the aforesaid merchants may incur by the non-payment of it; so that they may lawfully demand both principal, damages, and expenses as above expressed, together with the expenses of one merchant, for himself, horse, and servant, until such time as the aforesaid money be fully satisfied. And for the payment of such principal, interest, damages, and expenses, we oblige ourselves, our church, movable or immovable, ecclesiastical or temporal, which we have or shall have, wheresoever they shall be found, to the aforesaid merchants and their heirs. And do further recognize and acknowledge that we possess and hold the said goods for the said merchants by way of courtesy, until the premises be fully satisfied; renouncing also, for ourselves and successors, all help of canon and civil law, all privileges and clerkships, the Epistle of St. Adrian, all customs, statutes, lectures, indulgences, and the see apostolic; as also the benefit of all appeal or inhibition from the King of England, with all other exceptions, whether real or personal, that may be objected against the validity of this instrument. All which things we promise faithfully to observe; and in witness thereof have set hereto the seal of our Church. London, 24 April, Anno Domini 1235."

The above form was subsequently much abridged, as appears by the following, which is a copy of a bill in the reign of Elizabeth: —

"Witnesseth this present bill of exchange, that I, Robert Anderson, merchat of the city of Bristowe, do owe vnto Thomas Mun, merchat of the said city, the sum of 100 duckets; I say an hundred duckets of currant monie of Spaine, accompting after 11 rials of plate to the ducket; to be paid vnto the said Thomas Mun, or his assignes, within 10 daies next and ymmediately after the safe arrivall of the good ship called the Gabriel of Bristowe to the port of S. Lucai in Andalouzia in Spain, or

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any other port of the discharge. And for the true payment thereof I, the above named Robert Anderson, do bind me, my goods, my heires, executors, and assignes, firmly by these presents. In witness of the truth, I have caused two of these billes to be made (the which the one being paied, the other to be voide), and have put my firme and seale vnto them, and deliured them as my deed in Bristowe, the 15 day of September 1589, and in the 31 year of our Soueraigne Queene Elizabeth her Maiesties reigne," &c.

It is evident that these bills were steps towards paper credit, — a mode of representing debts by tangible and transferable instruments, which might be pledged or given to a third party to receive; for although the words "or order," which brevity and custom have since that remote period introduced, are not to be found in them, it is evident that, provided the parties to whom they were originally given put their names in due form of assignment, they could be transferred.

The author of a work entitled "Lex Mercatoria," published in 1622, mentions bills of debts or bills obligatory being in use among the Merchant Adventurers at Amsterdam, Middleburg, and Hamburg, and that to give currency to such bills it was the custom to put a seal upon them. The author recommends the adoption of such a mode in this country, and gives the following form, considering it as a thing scarcely known: —

"I, A. G., merchant of Amsterdam, do acknowledge by these presents to be truly indebted to the honest X. Y., English merchant dwelling at Middleburg, in the sum of one hundred pounds, current money, for merchandise, which is for commodities received of him to my contentment; which sum aforesaid I do promise to pay to him, the said X. Y., or the bearer hereof, within six months next after the date of these presents. In witness whereof, I have subscribed the same at Amsterdam, this tenth day of July, 1662."

A remark made by this author is worthy of attention; he says, — "The civil law and the law merchant do require that the bill shall declare for what the debt groweth, either for merchandise or money, or any other lawful consideration."

In the year 1651, the present method of making payments by the indorsement on bills of exchange was recommended by William Potter, in his "Key of Wealth." To give currency to such bills, he proposed "that they should be payable before any debts whatever, as if a man had confessed a judgment of his whole estate by the payment thereof."

The origin of the present form of a bill of exchange is attributable to the goldsmiths of London, who were the first bankers who circulated paper money; their bills were called "goldsmiths' notes."

In the year 1697, inland bills of exchange were, for the first time, declared legal instruments: this had been found necessary, to enable the Bank of England to advance money upon them. Whether the notion of the illegality of transferring notes and bills originated in any act of Parliament expressly made for that purpose, or solely in the common law interpretation of the acts against champerty, we have not been able to discover.

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THE MONEY MARKET IN GREAT BRITAIN.

From the London Times, July 25, 1850.

THE position and prospects of the money market were never more singular than at the present moment. Every thing is tending in a direction to produce striking changes in the relations of capital; but, in the apathetic trance resulting from our late exhaustion, they are scarcely noticed. With an increase in the quarter's revenue of £518,000 over the favorable returns of last year, an augmentation in the declared value of our exports of between £3,000,000 and £4,000,000 during the same period, a stock of bullion in the Bank which has remained, with slight fluctuations, at a larger amount than was ever before known; and the prospect, thus far, of an abundant harvest, there are also a number of more exceptional circumstances which furnish still greater indications that a state of affairs is approaching which must awaken the best energies of the country, and which, if wisely watched, may give an impulse to the spread of civilization such as has been witnessed at no former epoch. Each account from California not only confirms, but adds to, all previous anticipations of the growth of that territory, and of the success of those who had thronged to it, and the reflex action of these movements on other parts of the world are now beginning to manifest themselves with daily increasing force. In the Sandwich Islands, in Australia, along the whole coast of the Pacific from Valparaiso to Vancouver's Island, and even in China, the stir is distinctly felt, and the awakening life thus manifesting itself at the extremities of the commercial system must soon be acknowledged most powerfully at its centre. Even if California were announced to-morrow to be a delusion, it would be years before the effects that have already been created by it would cease to operate; but the tidings received for a long time past have now convinced all persons that its riches have never been over-estimated, and hence the inference is unavoidable, that what has yet taken place is only the beginning of the changes to come. According to the recent accounts from New York, it is confidently believed that the gold received in the United States during the next six months will exceed the total of all that has yet arrived. The silver mines of South America, too, are yielding a largely increased supply; railroads are being constructed for their further development, quicksilver is likely to be furnished in unusual supplies, and improved methods of working are resulting from the application of capital derived from the profits of trade with San Francisco. Coupled with these facts we have accounts of other gold regions in Bolivia, Venezuela, and South Australia. The less noticed but steady increase in the supply from Russia has likewise to be borne in mind; and, finally, the importation which is even now taking place from the substitution of paper and silver for the gold coinage in Holland, amounting, it is understood, to between £2,000,000 and £3,000,000.

Under all these circumstances, the rate of money in England is about 1¾ per cent., and at New York, although they are now sending us large amounts of bullion by each steamer, it is also lower than it has ever been

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for any continuance, 3½ or 4 per cent being the highest rate that can be got for temporary loans. At the same time, two things have operated in England to prevent the glut of money being greater than it is, — the remittances on account of the Russian loan of £5,000,000, and on the Danish loan of £800,000. The instalments on the first of these are now completed, and in the course of the next two months such small amounts as may remain on account of the second will also be discharged. There will consequently, as far as we can see at present, be henceforth nothing to disturb the existing tendency towards accumulation.

Step by step with this tendency the rate of interest to be obtained by capitalists must decline. There is no over-speculation in trade to prevent it, and no quarter of the world where the exchanges are likely to turn against us. The only questions, therefore, that present themselves are, first, as to the point to which the value of money will descend without overcoming the present horror of all investments which involve risk; and, secondly, in what quarter the vent will be found when the overflow of capital shall at last become irrepressible.

That the present state of affairs, in which investments that yield scarcely any return, but that require the exercise neither of thought nor faith, are preferred to any thing else, will yet continue for a considerable period, seems certain. Railways, in the midst of all our prosperity, show no symptoms of revival, and the gloom which they create will still spread a morbid distrust until the shareholders shall have resolved to admit what every body recognizes, — namely, that there is no help for them but in a complete reorganization of their modes of management. From this, and other causes, there is reason to anticipate that the revival of confidence will not be sudden, and that, before it shall occur to such an extent as to lead to a decided reappearance of the spirit of adventure, the period may even be sufficient to enable the Chancellor of the Exchequer to propose a reduction in the government funds.

For the present, therefore, we can look for no striking deviation in the routine channels for the employment of money, and hence there will be plenty of time to watch the quarters to which it will ultimately rush. In the intermediate months there may be a variety of small gambling movements in some of the low-priced foreign stocks or shares, but nothing of a character that will not be limited and transitory. The old burns in that respect have become matter of history, and when the general impatience of one or one and a half per cent. as the rate of interest shall have gained its full force, a new field will be required for its development. It will then be found, that although the uses of capital had seemed to us to have narrowed to such a point as to render it almost valueless, such an idea was inconsistent with the onward course of affairs; that it was, in fact, merely the silly reaction from opposite delusions, and that although the opportunities for the employment of money were declining in one quarter, they were rising up with increased force in another. Among many new features, the growing wonders of the New World on the Pacific will at that date be rightly interpreted, and it will perhaps be seen that, while we have thought all safe modes of adventure utterly ex-

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hausted, private individuals have been making large fortunes by running steamers, by working coal, by facilitating the transit of emigrants and merchandise, by testing new kinds of produce and means of cultivation, by building piers, and docks, and villages that are capable of becoming cities, and by all the other occupations that are opened up wherever a new population is suddenly attracted. It will also most likely be discovered that the gains thus achieved by quiet enterprise might have been greatly increased by a more liberal command of capital. A period of new hopes and of rapidly-increasing intercourse will follow, and if it could be conjectured that past experience would then be listened to, the future might tell of nothing but still extending prosperity.

Meanwhile, although this would be too bright a view, and it is certain that just in proportion to the prosperity to be enjoyed will be the strength of the mania by which it will be abused and checked, there can be no doubt of the occurrence of a long interval before any thing like national folly in the way of speculation can again be witnessed; and there is also reason to hope that, even when the eight or ten years at which the usual convulsion may be looked for shall have passed, the principles of monetary science will have become sufficiently diffused to cause the number of those who blindly rush upon their destruction, against the loudest warning, to be much more limited than it was in 1847.

THE ENGLISH NATIONAL DEBT. — Among the circumstances which stimulate confidence in the future prosperity of the country, and which are calculated to give heart to every effort towards a steady diminution of its financial burdens, the reduction which the national debt is about to undergo, from the natural expiration of various annuities during the next twenty years, is one of the most encouraging. The present annual charge in connection with the public funds and annuities is £27,686,458; and by statements recently prepared, it appears that from this amount no less a reduction than £3,207,500 will take place by the 5th of January, 1860, while by the 5th of April, 1867, the diminution will have reached £3,793,200, leaving the annual charge at £23,893,258. The precise way in which this will be brought about may be stated as follows: —

		Per annum.
1854, October 10.	Saving by reduction of 3¼ per cents into 3 per cents,	£600,000
1859, October 10.	Annuities for terms of years to expire, . . .	306,000
1860, January 5.	Do. do. do. do. . . .	306,000
" " "	Long Annuities to expire, ...	1,293,500
"	Sundry Annuities to expire at various periods during next ten years, ...	302,000
"	Proportion of Tontine and other Life Annuities that will probably fall in during the next ten years, ...	400,000
1867, April 5.	Annuity held by the Bank of England to expire, .	585,700
	Total to April 5, 1867, ...	£3,793,200

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RECENT COINS OF THE WORLD.

The following notices are taken from a Manual of "Gold and Silver Coins, Counterfeit Coins, and Bullion; with Mint Values. By J. R. Eckfeldt, and William E. Du Bois, Assayers of the Mint of the United States." 1850. 1 vol., 12mo. This little volume should be in the possession of every bank and broker, furnishing as it does the latest and most reliable information upon the subject.

A COIN once set in circulation, retains its place and use longer than any other part of the machinery of life, and is extremely slow in going out of fashion; so that the information respecting it, which the dealer, the collector, and the public at large require, does not soon become obsolete. The details in our Manual are therefore as useful as ever, and need only such additions as the lapse of time has called for. New coins, or modifications of old ones, are continually appearing; and in the latter case, it often happens that the holder finds he has become, if we may so speak, an unconscious sufferer. Old names are retained, but essential properties are altered; and a new progeny of doubloons, dollars, francs, or shillings, is found by an assayer's scrutiny to be something different, most likely inferior, to the old stock. Keeping a steady watch on these, as it is impliedly our duty, we have collected a number of items, which, as in our former publication, will be set forth in alphabetical order, and as briefly as possible.

The weight is expressed in grains, and the fineness in thousandth parts.

BELGIUM. — Gold coin, 25 francs; a new denomination; 1848 is the earliest date noticed. It expresses on its reverse the intended standards, 7.915 grammes (equal to 122.12 troy grains), 900 fine. The average of 20 pieces tried is 121.9, fineness 899; value $ 4.72. This is a slight depreciation; it ought to be $ 4.79, to compare with the former series of Belgian gold coin, or $ 4.81, to be equivalent with the French.

We notice also, in silver, a piece of 2½ francs, 1849, weighing 192 grains; fineness (of a single specimen) 901; value 46½ cents.

BOLIVIA. — The dollars from 1841 to 1846, tried in parcels, vary in fineness from 896 to 901; a very large lot gave 897; showing some tendency downward. Weight, varying from 411 to 421, averages 416½; value on a general average, 100.6 cents.

BRITAIN. — The new *florin*, or two-shilling piece, being one tenth of a pound sterling, is understood to be an advance towards a decimal system. It is not yet fairly in currency; we have been favored with a single specimen, which is very pretty.

CENTRAL AMERICA. — A recent assay of the gold *escudo* and its half (two-dollar and one-dollar pieces) shows a very marked decline from the standards. The escudo, 1844–49, weighs 48; the half, 1825–49, weighs 24; average fineness of both, 809; values respectively, $ 1.67, and 83½ cents. The gold dollar ought to be 93½, to bear a due proportion to the doubloon of that country, or 97½, relatively to doubloons generally.

The recent *silver* dollar is very fluctuating in fineness. Those of 1840–42 showed 887 fine; two pieces of 1847 gave 880 and 820. Such uncertainty, and such depreciation, must destroy the character of

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the coinage. This coin contains *gold* enough to part profitably, under our new regulations, the assay invariably showing not less than 3 thousandths; but it is unavailable, unless the dollars can be obtained at the intrinsic, instead of the nominal, value; which is not to be expected. It is rather a scarce coin.

CHILI. — In the dollar of 1848 we find a variation of weight from 415 to 419; fineness 901½, which is lower than former dates; but the average value is 101 cents.

Until lately, we had no opportunity of testing the fractional coins. The quarter-dollar, 1843 – 45, weighs only 92, but is 903 fine; the eighth, or *real*, is strictly proportional. Values respectively, 22.4 and 11.2 cents; making a profit to government, and a loss to holders, of about eleven per cent.

CHINA. — The trashy coin of this great empire deserves notice only by way of recreation. In 1842, we quoted the *cash* (tong-tsien) at 800 to the Spanish dollar; in 1847, the equivalent varied from 1200 to 1300, — so hard is it to fasten a value upon that which is valueless. A carpenter or tailor, we are told, receives 160 of them (say 13 cents) for a day's work; of which 60 is required for the daily bread. The coin is extremely convenient for alms-giving, a single piece being the usual quietus for a beggar.

ECUADOR. — The quarter-dollar, or two-real piece, 1847, weighs 104, and is only 675 fine; value 18.9 cents. This depreciation corresponds with what was before noticed in some of the fractional coins of Peru.

FRANCE. — The 20 and 5 franc pieces of the Republic, although entirely changed in face, are the same for weight and fineness as before.

GERMANY. — Here there is no change of standards, but we observe the denomination of double-gulden, not noticed in the Manual, value 79 cents. The whole German issue of the gulden series gives an average of 900 fine by actual assay.

Since the adoption of the new rate of charges at this Mint, the thaler of Northern Germany, 750 fine, yields a return of 67¼ to 68¼ cents, according to wear; the crown, 875 fine, 106 to 107 cents.

HAYTI. — Large quantities of Haytian coin have been recoined here. They are so variable in weight and fineness, that it is not easy to put a definite valuation upon them. They should, however, yield 76 to 78 cents per ounce, taken promiscuously, and unwashed. The piece of 100 centimes, dignified with the name of dollar, bearing the head of President Boyer, is worth about 25 cents upon an average; while the 25 centimes, both of Petion and Boyer, averages 7½ cents. In a large promiscuous deposit of all sizes, we found the average net value of the "dollar" to be 25.7 cents. The coins range from 600 to 625 fine, if free from counterfeits, — a baser quality than is to be found in any other coinage, on this side of the Atlantic. But since August last, there has been a new order of things; and coin-collectors and assayers are looking with impatience for the head of Faustin the First.

MEXICO. — In 1842, we averaged recent dollars at 416¼ grains, 898 fine, value 100.6 cents. The average fineness has since improved to 899, and value 100.75 cents.

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The coins of two new mints have recently been tried. The doubloon of GUADALUPE Y CALVO, in the state of Durango, 1847, varies in weight from 417 to 420; fineness 869 to 873; average value $15.69. The dollar of the same mint, 1844–47, averages in weight 420½, in fineness 908, and therefore in value as high as 102.8 cents. This mint began operations in 1844; its distinctive mark is GC, in the usual place in the legend.

The dollar of CULIACAN, in Sinaloa, 1846–48, averages 415½ grains, with a pretty wide variation in individual pieces; fineness 903; value 101 cents. The mint-mark is the letter C.

Mexican dollars are not flowing so abundantly in this direction as in former years, although they are yielding a better return.

MILAN. — The revolution of 1848 produced a new gold coin in Lombardy: it bears on the obverse a female figure, with the legend ITALIA LIBERA, DIO LO VUOLE, — "Italy free, God wills it"; and on the reverse, a wreath, within which is the denomination, 20 LIRE ITALIANE, — "20 Italian livres"; and outside of it the legend, GOVERNO PROVISORIO DI LOMBARDIA. It weighs the same as the 20-franc piece of France, and was evidently meant as a return to the Milanese standard of 1805. The coin is more rare than could be wished: only a single specimen has reached us. Coin-collectors will consider it as a prize, for its singular beauty, and its scarcity; and as the monument of a great event in history.

NETHERLANDS. — The new 2½-guilders piece was announced in our Manual as having been decreed, but had not then been received. The legal standards are, 25 grammes (385.8 grains) in weight, 945 thousandths in fineness. The actual results, of dates 1842–45, are, 386 grains, 944 fine; value 98.2 cents. The coin often appears here in mixed deposits. It is remarkable for its high grade of fineness; yet it is really a depreciated issue, since, to be equal to the former guilder series, it ought to be worth 100.2 cents.

NEW GRANADA. — This country continues to send a large supply of doubloons to our market; and this makes it the more important to notice a very recent and considerable reduction in the value of the coin. Within a few months a new piece has appeared, with new devices and standards; the latter being expressed on the face of the coin by — "LEI 0,900 — PESO 25,8064 G." That is, *fineness*, 900 thousandths; *weight*, so many *grammes*; — a long-drawn fraction, corresponding to 398.31 troy grains. At those rates, the piece would be worth $15.43.8, and would avowedly fall below the previous value of the doubloon; but upon actual trial it is still worse, as will be shown directly. This change must have taken place since the beginning of 1849, as we notice pieces of the old style, bearing that date.

But as the doubloons of New Granada are alloyed almost entirely with silver, which is now profitably parted at this Mint, it is necessary to restate the mint value of the older piece, as well as to give information respecting the new. The silver extracted makes a sensible addition to the values of both kinds; that is, if they are offered in sufficient quantities to meet the requirement, that the net product of a parting must be not less than five dollars; below that limit the operation is not performed. The following terms must therefore be noticed. The doubloon of the old style,

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down to the early part of 1849, weighs on an average 416½ grains, and contains 870 thousandths gold, and about 120 silver; if presented in a quantity less than 44 ounces, its net mint value will be $ 15.61; in a larger quantity than that, it will be $ 15.71. — The new doubloon, beginning with 1849, weighs 398 grains, and contains in parcels 893½ to 895 thousandths gold, say 894, and of silver about 100; net mint value, in any quantity less than 60 ounces, $ 15.31; in a larger quantity, $ 15.38. This piece is considerably reduced in diameter, as compared with the old, and is a much neater coin. The dies are apparently of English make, and the head of Liberty, which is in good flesh, greatly resembles that of the British Queen. Collectors of Roman coins will be pleasantly reminded of the *nummi victoriati*.

The reduction of mint charges for parting has had a marked effect in sending pale doubloons here for recoinage.

Norway. — The immigration from this country brings us considerable parcels of Norwegian and Swedish silver coins. The *dalers* of these two realms, which have the same monarch, were stated in the Manual to be interchangeable as to value, although very different as to their standards. Under our new mint charges, there is now some variation of value, since those of Sweden are of so much lower fineness, and are subjected to a greater charge for refining. They will be noticed in place. The daler, and half, of Norway, average 878 fine (the law calling for only 875, or seven eighths), and their weights, unworn, are respectively 446 and 223 grains; net mint value of the daler, 105 cents; the half, 52½. This valuation is down to 1848, the latest date we have seen.

Peru. — A new half-dollar, with the word Pasco in the legend, 1844, gives an average weight of 203 (variation 200 to 210), fineness 906; value 49½ cents.

Prussia. — The years 1848–49, in other respects unsettled, show no change in the gold coinage. It still maintains its superiority to the other classes of ten and five-thaler pieces. The double-Frederick or ten-thaler, is 903 fine, weighs 206 grains, and is worth $ 8.01; practically, an even eight-dollar piece, for us.

Russia. — Five-rouble pieces of 1848–49 show the fineness of 916⅔; a proof that the assaying and alloying are conducted with admirable exactness; the standard being 916⅔. The coin is worth $ 3.96.7. As the Russian mint depends, no doubt, upon the Russian mines, and not upon foreign coins, for its material, we felt an interest in examining as to what proportion of *silver* was left in the alloy of the coin; and found only 5⅓ thousandths. Hitherto we have found no gold coins so nearly desilvered.

Siam. — We were not sufficiently acquainted with the silver bullets of Siam, to take account of them in the Manual. Some specimens of this curious money have since been examined. They are of different calibres and tolerably well proportioned to each other. The *tical* weighs, without much variation, 235 grains, and is 928 fine; value, 58.7 cents. The *salung*, 61 grains, 929 fine, 15.2 cents. The *prang*, 30 grains, 907 fine, 7.3 cents. Siam may claim the merit of originality in the shape of her coin, which will not admit of piling, and scarcely of lying still; the lively emblem of a true circulating medium.

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SWEDEN. — The specie daler of Oscar, 1847 – 48, is 750 fine, weighs 525 grains, and yields 104.2 cents after mint charges.

TURKEY. — There was a new system of coinage promulgated in 1840, which is noticed in our work; there is a still newer, beginning with 1845. The gold coins are evidently designed to be 22 carats (916.6) fine, as in the neighbouring empire of Russia. By actual assay they are 915 fine; the piece of 100 piastres weighs 111 grains, and is worth $ 4.37.4; the piece of 50 piastres, 55½ grains, worth $ 2.18.7. In respect to value they compare with the former series of 20, 10, and 5 piastres; though entirely of different standards.

The silver coins are greatly improved in quality, and apparently based upon the Austrian standard of five sixths (833⅓) fine. They are the piece of 20 piastres, 371½ grains, 828 fine, net value 82 cents; 10 piastres, 186 grains, 826 fine, 41 cents; and 5 piastres, 92½ grains, 824 fine, 20¼ cents. These coins are well adjusted in weight, and altogether show in their way a great advance in the progress of Turkish civilization. The piastre of commerce seems to be based upon the gold; the exchange in 1845, when these coins were received, rated the piastre at 4.3 cents.

UNITED STATES. — We have no change to record in the standards of our coinage. The code of 1837 has left them, like our form of government, with nothing to desire. There are, however, two new gold coins added to our list by the law of March 3, 1849. These are the *dollar*, and the *double eagle*, or twenty-dollar piece. The former began to be issued at the principal Mint on the 8th of May; since which time, to November 1st, there have been coined at the Philadelphia Mint 571,067 pieces; North Carolina Branch Mint, 11,634; Georgia Branch, 18,126; New Orleans, 205,000; in all 805,827 pieces. The double eagle is so nearly ready, that it will probably be issued before this work is out of press. Both coins were designed by the Engraver of the Mint, Mr. J. B. Longacre.

There are several classes of gold coin, which are not of the United States, but are struck within the national boundaries, and which ought to be noticed in this place. These are the BECHTLER'S coins of *North Carolina*, and the various *California* coins. In the same connection, it will be proper to give an investigation of the stamped ingots of MOFFAT & Co.

The coins of C. Bechtler are fully described in the Manual (page 160); but since the date of that publication, the mint has passed into the hands of A. Bechtler, as appears on the face of the coin; and there is a marked difference of value between the *C* and *A*. The five-dollar pieces of the former were deficient from one to six per cent. upon the alleged value, averaging three per cent., or $ 4.85; the one-dollar pieces were worth 95½ to 97 cents. The five-dollar pieces of the latter vary, from the full alleged value, to a deficit of one and a half per cent. There are no dates on the coins, to enable us to mark the difference; but the pieces assayed in 1843 were better than those (apparently fresh) assayed in 1849. The last and newest lot gave $ 4.94 to the five-dollar piece. It is to be borne in mind, that, as Bechtler's pieces are alloyed with silver, they will produce about a half of one per cent. more, if offered in sufficient quantity, say 43 ounces. The dollars, as far as tried, are two per cent. below their

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nominal value. The coin appears to be considerable in amount but it is not current in the Middle and Northern States; it is frequently brought to the Mint for recoinage.

We have next to mention four varieties of coin, which have already reached us from California.

1. The mint of "N. G. & N." at San Francisco does not profess the same degree of accuracy as Bechtler's, as to fineness. Its claim to be FULL WEIGHT OF HALF EAGLE is proved by a number of trials, the variation not exceeding one grain in any case; but the legend on the reverse, CALIFORNIA GOLD WITHOUT ALLOY, allows a pretty wide range. As far as our assays go, the truth of this stamp is proved; there is no alloy, other than that already introduced by the hand of nature, and which is generally more than sufficient. Three pieces gave severally the fineness of 870, 880, and 892 thousandths; all within the scope of "California gold." They were consequently worth $4.83, $4.89, and $4.95½ respectively, without the silver; and including that, 2½ cents more. As it sometimes happens (not often) that the native gold is above our standard fineness, the proprietors may sometimes put more than five dollars' worth into a coin, but the average will always be in their favor, and protect them from a losing operation. Especially will they keep themselves safe, while gold is held in the market at fifteen and a half to sixteen dollars an ounce, or even after it shall have risen to a considerably higher valuation.

It is the margin between the market and mint values of grain-gold, which enables this private mint to carry on its work, and keep to its terms. Indeed, when the honesty of the coinage shall have been duly established, it may be found sufficiently accurate for the region to which it belongs, until (as must soon happen) the commercial and legal values of gold shall very nearly coincide.

The coin is neatly executed, and besides the two legends above quoted, bears an eagle, a circle of stars, the date 1849, and the name SAN FRANCISCO. It wears the somewhat brassy tint which belongs to gold alloyed with silver only.

2. The next variety, a five-dollar piece which emanates from the OREGON EXCHANGE COMPANY, is rather the most original and picturesque of the assortment. It bears on one disk the above title, with the inscription "130 GRS. NATIVE GOLD. 5 D."; and on the other a beaver (a good emblem of mining industry), a row of initial letters, and the date 1849. On the whole, the coinage will no doubt prove agreeable, if it can be well spoken of as to its intrinsic qualities. Hitherto we have had the opportunity of examining only one piece. It weighed 127½ grains, was 878 thousandths fine, and contained only the natural alloy: resulting value, $4.82; with the silver (in sufficiently large lots) 2½ cents more.

3. Next is a ten-dollar piece of the MINERS' BANK, SAN FRANCISCO, as is stated on the obverse; on the reverse is an eagle, with thirteen stars, and the word CALIFORNIA. It makes no professions of weight or fineness; only of value. Two pieces have just been tried here, and one other is reported to us from the Branch Mint at New Orleans, assayed by Dr. Hort. The results are as follows:

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Miners' Bank Eagles.	*Grs.*	*Thous. fine.*	*Base Metal.*
First, assayed here, .	268	860	28 thous.
Second, " " . .	265½	871	22 "
Third, " N. O., .	259	866	29 "

A fourth piece weighed here 261 grs.

From this statement it appears, first, that while there is a great want of adjustment in weight, the average in that respect is about 263½ grains, or 5½ over the lawful eagle; next, that the fineness is rather low, averaging only 865, and that the deficiency has been made up by a small addition of copper; next, that we have here the representation of several meltings, or else of one illy mixed, whose range is from 860 to 871 fine, decidedly below the range of California gold; lastly, that though in distinct pieces there may be a scope of intrinsic value (not including the silver parting) from $ 9.66 to $ 9.92, the apparent average is about $ 9.87. This result, if adhered to, may be satisfactory to the citizens of California, showing as it does a deficiency scarcely over 1¼ per cent. on the alleged value; but any addition of copper, to the displacement of so much gold, seems unnecessary.

4. The introduction of copper alloy is more marked in the fourth and last variety we have to mention; but here, the due proportion of gold is nearly kept up. This is the ten-dollar piece of MOFFAT & Co., whose establishment is probably the most extensive and systematic of any.

Four of these pieces have been assayed; three here, and one at the New Orleans Branch Mint.

First, assayed here, 258 grs., 884 thous. gold,
61 " silver,
55 " base metals.
—— 1000.

Second, assayed here, 259 grs., 895 gold,
41 silver,
64 base metals.
—— 1000.

Third, assayed here, 258 grs., 895 gold,
58 silver,
47 base metals.
—— 1000.

Fourth, assayed at New Orleans, 258 grs., 881 gold,
60 silver,
59 base metals.
—— 1000.

A fifth piece weighed here 259 grs.

It should be understood, that, of the "base metals" in the alloy, only three or four thousandths are to be set down as native, being chiefly iron; the residue is copper, added by the melter. The average of copper so added appears to be 56 thousandths, say 1¾ per cent.

Of the use of copper as an alloy, and not as a cover for the subtraction of gold, no one will complain, since it is the usage at almost all mints, intended to give the coin a better color, and to make it harder, and fitter for

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wear, than if silver alone were used for the mixture. From the foregoing it appears, that while a single piece may be worth $9.78 to $9.98, the average value is $9.88, (the silver not being in sufficient proportion to pay for parting,) which is so near to ten dollars, that the use of copper was evidently with honest intent.

The result was at first so surprising, that only a decided confirmation could satisfy us. It proves, what was not to be expected, that the establishment has gone to the pains and expense of partly refining out the silver from the native gold, in order to the substitution of the other alloying metal.

California gold, in its native state, is not fine enough to bear the addition of 5⅓ per cent. copper, or, we may say, any copper at all, without debasing the coin, and injuring the community. It is already more than sufficiently alloyed, by the hand of nature, with silver, to bring it down to standard; and it was to the last degree unlikely that copper should have been added for any other purpose than to swell the profits of the private mint. Unlikely things, however, are sometimes stubbornly true, and this establishment must be exonerated on that score. The metal that they take out of their ten-dollar pieces is not gold, but silver; and silver, considered merely as an alloy of gold coins, except it can be profitably parted out, goes for no more than copper, in the same predicament. Without feeling bound to account for a matter which does not belong to us, we may suggest, as the most likely motive for reddening the coin with copper, that it is thereby relieved from the pale, almost *ungoldlike* hue of the native melted gold, and looks more like the veritable eagle of the United States, to whose general aspect it is rather too carefully conformed.

The obverse bears a tolerable imitation of our female head of Liberty, with the name MOFFAT & Co. upon the tiara, instead of the word *Liberty;* together with the circle of stars, and the date. On the reverse is the eagle with TEN DOL. underneath; and above, the legend S. M. V. CALIFORNIA GOLD, occupies about the same space as the words *United States of America*, on the national coin. It is also of the same diameter and thickness as our eagle. So many assimilations, of color, stamp, and dimension, if they might not lead to a mistake, might nevertheless render the coin more passable.

Upon a review of these varieties of California coins, it will strike any reader with surprise, that, in a country where gold is so abundant, and so much below the general commercial or mint rate, not one of the coins should come up to its professed value. It is not as in North Carolina, where the private coiner has to contend with a near mint, and consequently a full price in market. A profit of two to two and a half dollars on the ounce would seem to dispose any manufacturer of coin to err on the side of liberality; or at least to earn a good name for his establishment by giving good measure. The issue of such coins is not illegal, and under existing circumstances may be salutary, or even dictated by necessity. If we might be allowed to advise a standard, say for the piece of ten dollars, it would be, first, to take the native gold as it comes, and add no alloy. The addition of copper, whatever good purposes it may answer abstractedly, must excite suspicion towards any establishment not

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regulated by law, or responsible to government; and especially in California, for the simple reason, that, where labor is so dear, and the supply of chemicals and other materials so precarious and expensive, it will not be taken for granted that pains are taken to refine out the silver, to make room for copper. Then, taking the native gold, let the pieces, with a pretty accurate adjustment, average eleven pennyweights (264 grains) each. Here would be a good current coin for the gold region, and an acceptable remittance at par to any part of the world, certainly to our States. The individual piece would ordinarily be worth not less than ten dollars, and on the average a few cents over. Its pale color would be pardonable in the eyes of our dealers in coin and bullion, who, presenting such pieces in sufficient quantities for recoinage at the Mint, would derive an additional profit of about a half of one per cent.

Besides the ten-dollar pieces, the establishment of Messrs. Moffat & Co. issues stamped ingots, intended apparently both for circulation and for commercial remittance, as they are of various sizes, from about nine dollars to near three thousand. They are melted and cast in a very workmanlike manner, generally in close moulds, making a perfect rectangular bar, without any *sink* at the end. Each bar bears the name of the company, the alleged fineness in carats, and the value, thus:

MOFFAT & CO.
$20\frac{3}{4}$ CARAT
$ 16.00

and at one side, or on the under side, the weight in pennyweights and grains. A considerable number of small ingots bear the even value of sixteen dollars, as above, and have no weight stamped on them; generally, however, the values are fractional, such as "$ 9.43" and "$ 256.24."

As to the *accuracy* of the weight, fineness, and value, we have to observe first, that the ingots, as far as tried, are equal to the stamp, in weight; sometimes a little full. A deposit of 181 ounces weighed 44 grains over the stamped weight, an average excess of $\frac{1}{4}$ gr. to the ounce; which is a good adjustment. But the sixteen-dollar ingots are of very inconstant weight; as, for instance, from 18dwts. to 19dwts. 4grs. Next as to fineness: without any very gross deviation (except in a casual instance), there is a decided want of accuracy, as well as a want of uniformity in error. The first importation of these bars, in August last, gave a higher fineness than the stamp; thus, one lot stamped $21\frac{5}{32}$ carats, equal to 881.6 thousandths, resulted 893 fine, an error in favor of the receiver of about 23 cents per ounce; another parcel marked $21\frac{7}{16}$, equal to 893.2, gave 899.5. (It were much to be wished that the simple millesimal notation of fineness had been used, instead of the awkward and discarded one of *carats*.)

But in more recent deposits, the error lies the other way. One parcel stamped $21\frac{3}{4}$ carats (906.5) proved to be 887; another, $21\frac{1}{2}$ (896), gave but 883, a deficit of 27 cents per ounce; and a third, of 22 carats (916.6), was only 904. Of the sixteen-dollar ingots, all stamped $20\frac{3}{4}$ (864.6), two have been assayed, and result 850 and 848. Both were alloyed with

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copper; the former about 1½ per cent., the latter about 4 per cent.; being the only cases in which we have noticed any other than the natural silver alloy. Those two ingots were worth respectively $ 15.81 and $ 15.73.

Lastly, as to the *real value* of the ingots, as compared with the alleged, it is evident from what has been said, that some of them are rated too low, and others too high; the overvalued ones being apparently the more recent. Perhaps the error, in any case, is not such as to affect the sensibilities of a people already flooded with gold; but in the old and impoverished settlements of the East, notice is sure to be taken even of smaller deviations. What has surprised us, both in this case and that of the private mint in North Carolina, is, that the valuations should be wrong, even upon their own data; being deducible by a simple rule of arithmetic. Every one knows, as a starting-point, that a weight of 258 grains of gold, nine-tenths fine, is by our laws worth ten dollars. Moffat's ingots marked 21⅓ carats (881.6) were variously calculated, at $ 18.10 to $ 18.14 per ounce; the proper result, at that fineness, is $ 18.22½. But perhaps, as in weight and quality, so in value, *de minimis* (*in auro*) *non curat California.*

Depositors from that region inform us, that the foregoing varieties of coins and ingots are current there, at their alleged value; but in some cases, especially at the steamer agency, received with a reluctance which is naturally felt towards new kinds of money.

The last arrival from California brought two other varieties of coin issued there. First, the *five-dollar* piece of Moffat & Co. We have seen three specimens, and assayed two; the results of these are perhaps a sufficient test of value, and may be stated as such.

The first: proportion of gold, . . .	890 thous.	
silver, . . .	59	
copper, &c., . .	51	
	——	1000.
The second: proportion of gold, . . .	884	
silver, . . .	52	
copper, &c., .	64	
	——	1000.

Weights of the three, 130, 130, 129½; being half to one grain over half-eagle weight.

The pieces were therefore worth $ 4.95 to $ 4.98½, at 130 grains weight; if by the quantity they are adjusted to the mean of the half-eagle, they can hardly average over $ 4.93. At any rate, they would seem to be not far from "standard mint value," as is said to be the signification of the initials S. M. V. on the reverse. They are still closer to the genuine mint coin in respect to the artful and successful imitation of the devices on the half-eagle; so that an inattentive person, unless he were struck by the difference of color, would unhesitatingly receive them as "legal tender."

The other variety is a ten-dollar piece, bearing on one side the legend UNITED STATES OF AMERICA, CAL., and the initials J. S. O. in the field; reverse, 10 DOLLS. in the field, and 31 stars around the border. It is somewhat difficult to keep the count of our States, but it is plain that this constellation must include California. (Value $ 9.37.)

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STATE FINANCES.

OFFICIAL REPORT UPON THE DEBT OF THE STATE OF OHIO.

Auditor of State's Office, Columbus, Ohio, May 29, 1850.

SIR, — I respectfully submit the following statement in answer to your inquiries of this date, relative to the debt of this State: —

Total amount of the State Debt on the 15th November, 1449,		$19,026,200.47
This includes the following items, viz: —		
Amount of Outstanding Bonds not bearing interest, for which the money has been appropriated, . . .	53,626.29	
Miami Canal Bonds then in hands of Fund Commissioners, which have been since cancelled, . . .	24,464.38	
Seven per cent. Bonds redeemed by Fund Commissioners, and since cancelled, ...	31,800.00	
		109,890.67
Amount of State Debt, say on 1st January, 1850, . . .		$18,916,309.80
This consisted of the following items, viz: —		
5 per cent Stocks, ...	$550,000.00	
6 " "	14,830,982.50	
7 " "	1,468,200.00	
Foreign Stock, — Principal and Interest being payable in New York,		$16,849,182.50
Amount of Domestic Bonds, ...		451,451.70
Amount of the Reimbursable Debt of the State, January, 1850,		$17,300,684.20
Irreducible Debt of the State, being the amount of School Lands, Ministerial Lands, Salt Lands, Trust Funds, &c.; the Interest being payable to Townships, Districts, &c., within the State, .		1,615,625.60
Total amount of Debt of the State, January, 1850, as above, .		18,916,309.80
Amount of the Reimbursable Debt of the State as above, . .		$17,300,684.20
The following sums are properly applicable to the payment of this debt, viz.: —		
Surplus Revenue Fund appropriated by act of 13th March, 1843. Of this fund the sum of $501,642.83, repaid by the Counties, is now in the hands of the Fund Commissioners, ...		$501,642.83
Due by the Counties, the whole of which will be paid, . . .		1,151,441.23
Amount of Surplus Revenue applicable to payment of the 7 per cent. Stock of 1851, ...		$1,653,084.06
Sinking Fund: — Balance in the Treasury, 15th November, 1849, ...	74,208.55	
Transferred from Canal Fund, being taxes of 1849 collected, ...	125,000.00	
	$199,208.55	
Deduct amount repaid to Surplus Revenue Fund, .	92,742.90	
		106,465.65
Amount forward, ...		$1,759,549.71

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	Amount forward,	$1,759,549.71
Canal Lands, amount estimated,		150,000.00
Railroad Stocks, viz.: —		
Mad River and Lake Erie Railroad, including dividends of 1850,	$375,000.00	
Little Miami Railroad, including dividends of 1850,	185,000.00	
Mansfield and Sandusky City Railroad,	33,333.00	
		593,333.00
Canal and Turnpike Stocks held by the State. These stocks have for the last seven years paid dividends equal to 6 per cent. upon more than half a million,		500,000.00
Premium received on exchange and sale of stocks under acts of 1849 and 1850. On the exchange of about $1,500,000, premiums have been received to the amount of $120,000, and no doubt is entertained that the premiums on the four millions which will be extended this year will be not less than		320,000.00
Total amount of means applicable to the reduction of the reimbursable debt of the State,		$3,322,882.71
Balance of State Debt on the 1st of January, 1851, for the payment of which provision must be made from the accruing revenues of the State,		13,977,801.49
(Of this sum more than one million will be at 5 per cent. and the residue at 6 per cent. interest.)		$17,300,684.20

But a small amount of the above credits depends upon estimates. The $593,333 of Railroad Stock will, without doubt, yield annual dividends equal to six per cent., and their value is constantly increasing.

The total value of taxable property on the Grand List of the State, in 1849, was $430,839,385.00.

It will, this year (1850), exceed $440,000,000.

And in 1853, under the new valuation required by law, it will be more than $600,000,000.

JOHN WOODS, *Auditor of State.*

H. STANBERY, Esq., *Attorney-General.*

An Act to provide for the extinguishment of the public debt of Ohio, passed Feb. 24, 1848.

SEC. 1. *Be it enacted by the General Assembly of the State of Ohio*, That the Auditor of State is hereby required to levy, annually, after the year one thousand eight hundred and forty-eight, at the time of levying taxes for State purposes, the amounts hereinafter provided, to be applied to the payment of the public debt of the State; the sums to be levied as follows: — In the year one thousand eight hundred and forty-nine, one hundred thousand dollars; in the year one thousand eight hundred and fifty, one hundred and six thousand dollars; in the year one thousand eight hundred and fifty-one, one hundred and twelve thousand three hundred and sixty dollars, and so continue annually, to levy an amount equal to the amount levied in the preceding year, and six per centum thereon added thereto, until the reimbursable debt of the State shall be fully paid.

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VALUATIONS OF TAXABLE PROPERTY FOR THE YEAR 1849.

The State is divided into 85 counties, containing 23,764,029 acres, valued at	$264,655,616.00
Value of Towns,	71,192,000.00
Value of Personal Property, Moneys, and Credits,	94,028,626.00
Turnpikes, Bridges, and other Joint Stock Companies,	1,173,756.00
Total value of Taxable Property,	$431,049,998.00
The total Taxes for 1849 were	$3,631,878.29

The new Ohio State Loans, consisting of 1,600,000 six per cent. stock, redeemable in 1875, and 1,000,000 of five per cent. stock redeemable in 1865, the proposals for which were opened on the 19th instant, were taken at the following rates: —

Of the 6 per cent. Loan.	*Of the 6 per cent. Loan.*	*Of the 5 per cent. Loan.*
$ 125,000 at 111.08	$ 13,000 at 113.63	$ 185,000 at 100.28
200,000 " 111.31	200,000 " 113.81	200,000 " 100.78
13,000 " 112.33	7,000 " 114.03	200,000 " 101.58
200,000 " 112.38	200,000 " 114.08	200,000 " 101.88
12,000 " 112.77	5,000 " 114.83	15,000 " 102.00
200,000 " 112.81	10,000 " 115.26	200,000 " 102.04
200,000 " 113.08	10,000 " 115.64	
200,000 " 113.58	5,000 " 115.75	$ 1,000,000
	$ 1,600,000	

The total amount subscribed was $ 3,100,000.

THE OLD LADY IN THREADNEEDLE STREET.

From "Household Words," by Charles Dickens.

PERHAPS there is no Old Lady who has attained to such great distinction in the world, as this highly respectable female. Even the Old Lady who lived on a hill, and who, if she 's not gone, lives there still; or that other Old Lady who lived in a shoe, and had so many children she didn't know what to do, — are unknown to fame, compared to the Old Lady of Threadneedle Street. In all parts of the civilized earth, the imaginations of men, women, and children figure this tremendous Old Lady of Threadneedle Street in some rich shape or other. Throughout the length and breadth of England, old ladies dote upon her; young ladies smile upon her; old gentlemen make much of her; young gentlemen woo her; every body courts the smiles, and dreads the coldness, of the powerful Old Lady in Threadneedle Street. Even prelates have been said to be fond of her; and Ministers of State to have been unable to resist her attractions. She is next to omnipotent in the three great events of human life. In spite of the old saw, far fewer marriages are made in heaven, than with an eye to Threadneedle Street. To be born in

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the good graces of the Old Lady of Threadneedle Street, is to be born to fortune: to die in her good books, is to leave a far better inheritance, as the world goes, than "the grinning honor that Sir Walter hath," in Westminster Abbey. And there she is, for ever in Threadneedle Street, another name for wealth and thrift, threading her golden-eyed needle all the year round.

This Old Lady, when she first set up, carried on business in Grocers' Hall, Poultry; but in 1732 she quarrelled with her landlords about a renewal of her lease, and built a mansion of her own in Threadneedle Street. The director of her affairs was then Sir John Houblon, on the site of whose house and garden she reared her new abode. This was a modest structure, somewhat dignified by having a statue of William the Third placed before it; but not the more imposing from being at the end of an arched court, densely surrounded with habitations, and abutting on the church-yard of St. Christopher le Stocks.

But now, behold her, a prosperous gentlewoman in the hundred and fifty-seventh year of her age; "the oldest inhabitant" of Threadneedle Street! There never was such an insatiable Old Lady for business. She has gradually enlarged her premises, until she has spread them over four acres; confiscating to her own use, not only the parish church of St. Christopher, but the greater part of the parish itself.

We count it among the great events of our young existence, that we had, some days since, the honor of visiting the Old Lady. It was not without an emotion of awe that we passed her Porter's Lodge. The porter himself, blazoned in royal scarlet, and massively embellished with gold lace, is an adumbration of her dignity and wealth. His cocked hat advertises her stable antiquity as plainly as if she had written up, in imitation of some of her lesser neighbours, "established in 1694." This foreshadowing became reality when we passed through the Hall, — the tellers' hall. A sensation of unbounded riches permeated every sense, except, alas! that of touch. The music of golden thousands clattered in the ear, as they jingled on counters, until its last echoes were strangled in the puckers of tightened money-bags, or died under the clasps of purses. Wherever the eye turned, it rested on money; money of every possible variety; money in all shapes; money of all colors. There was yellow money, white money, brown money; gold money, silver money, copper money; paper money, pen and ink money. Money was wheeled about in trucks; money was carried about in bags; money was scavengered about with shovels. Thousands of sovereigns were jerked hither and thither from hand to hand, — grave games of pitch and toss were played with staid solemnity; piles of bank-notes — competent to buy whole German dukedoms and Italian principalities — hustled to and fro with as much indifference as if they were (as they had been) old rags.

This Hall of the Old Lady's overpowered us with a sense of wealth; oppressed us with a golden dream of Riches. From this vision an instinctive appeal to our own pockets, and a few miserable shillings, awakened us to Reality. When thus aroused we were in one of the Old Lady's snug, elegant waiting-rooms, which is luxuriously Turkey-

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carpeted and adorned with two excellent portraits of two ancient cashiers; regarding one of whom the public were warned: —

> "Sham Abraham you may,
> I have often heard say:
> But you must n't sham 'Abraham Newland.'"

There are several conference-rooms for gentlemen who require a little private conversation with the Old Lady, — perhaps on the subject of discounts.

It is no light thing to send in one's card to the Foster-Mother of British commerce; the Soul of the State; "the Sun," according to Sir Francis Baring, around which the agriculture, trade, and finance of this country revolves; the mighty heart of active capital, through whose arteries and veins flows the entire circulating medium of this great country. It was not, therefore, without agitation that we were ushered from the waiting-room, into that celebrated private apartment of the Old Lady of Threadneedle Street, — the Parlour, — the Bank Parlour, — the inmost mystery, — the *cella* of the great Temple of Riches.

The ordinary associations called up by the notion of an old lady's comfortable parlour were not fulfilled by this visit. There is no domestic snugness, no easy chair, no cat, no parrot, no japanned bellows, no portrait of the Princess Charlotte and Prince Leopold in the Royal Box at Drury Lane Theatre; no kettle-holder, no worsted rug for the urn, no brass footman for the buttered toast, in the parlour in Threadneedle Street. On the contrary, the room is extensive, — supported by pillars; is of grand and true proportions; and embellished with architectural ornaments in the best taste. It has a long table for the confidential managers of the Old Lady's affairs (she calls these gentlemen her Directors) to sit at; and usually, a side-table fittingly supplied with a ready-laid lunch.

The Old Lady's "Drawing" Room is as unlike — but then she is such a peculiar Old Lady! — any ordinary Drawing-room as need be. It has hardly any furniture, but desks, stools, and books. It is of immense proportions, and has no carpet. The vast amount of visitors the Old Lady receives between nine and four every day, would make lattice-work in one forenoon of the stoutest carpet ever manufactured. Every body who comes into the Old Lady's Drawing-room delivers his credentials to her gentlemen-ushers, who are quick in examining the same, and exact in the observance of all points of form. So highly prized, however, is a presentation (on any grand scale) to the Old Lady's Drawing-room, notwithstanding its plainness, that there is no instance of a Drawing-room at Court being more sought after. Indeed, it has become a kind of proverb that the way to Court often lies through the Old Lady's apartments, and some suppose that the Court Sticks are of gold and silver in compliment to her.

As to the individual appearance of the Old Lady herself, we are authorized to state that the portrait of a Lady (accompanied by eleven balls on a sprig, and a beehive) which appears in the upper left-hand corner of all the Bank of England Notes, is NOT the portrait of *the* Lady. She

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invariably wears a cap of silver paper, with her yellow hair gathered carefully underneath. When she carries any defensive or offensive weapon, it is not a lance, but a pen; and her modesty would on no account permit her to appear in such loose drapery as is worn by the party in question, — who we understand is depicted as a warning to the youthful merchants of this country to avoid the fate of George Barnwell.

In truth, like the Delphian mystery, SHE of Threadneedle Street is invisible, and delivers her oracles through her high-priests: and, as Herodotus got his information from the priests in Egypt, so did we learn all we know about the Bank from the great officers of the Myth of Threadneedle Street. All of them are remarkable for great intelligence and good humor, particularly one MR. MATTHEW MARSHALL; for whom the Old Lady is supposed to have a sneaking kindness, as she is continually promising to pay him the most stupendous amounts of money. From what these gentlemen told us, we are prepared unhesitatingly to affirm, in the teeth of the assertions of Plutarch, and Pliny, and Justin, that although Crœsus might have been well enough to do in the world in his day, he was but a pettifogger compared with the Great Lady of St. Christopher le Stocks. The Lydian king never employed nine hundred clerks, or accommodated eight hundred of them under one roof; and if he could have done either, he would have been utterly unable to muster one hundred and thirty thousand pounds a year to pay them. He never had bullion in his cellars, at any one time, to the value of sixteen millions and a half sterling, as our Old Lady has lately averaged; nor "other securities" — much more marketable than the precious stones Crœsus showed to Solon — to the amount of thirty millions. Besides, *all* his capital was "dead weight"; that in Threadneedle Street is active, and is represented by an average paper currency of twenty millions per annum.

After this statement of facts, we trust that modern poets, when they want an hyperbole for wealth, will cease to cite Crœsus, and draw their future inspirations from the shrine and cellars of the Temple opposite the Auction Mart; or, as the late Mr. George Robins designated it, when professionally occupied, "The Great House over the way."

When we withdrew from the inmost fane of this Temple, we were ushered by the priest, who superintends the manufacture of the mysterious Deity's oracles, into those recesses of her Temple in which these are made. Here we perceived, that, besides carrying on the ordinary operations of banking, the Old Lady is an extensive printer, engraver, bookbinder, and publisher. She maintains a steam-engine to drive letter-press and copper-plate printing machines, besides the other machinery which is employed in various operations, from making thousand-pound notes to weighing single sovereings. It is not until you see three steam-printing machines, — such as we use for this publication, — and hear that they are constantly revolving, to produce, at so many thousand sheets per hour, the printed forms necessary for the accurate account-keeping of this great Central Establishment and its twelve provincial branches, that you are fully impressed with the magnitude of the Old Lady's transac-

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tions. In this one department no fewer than three hundred account-books are printed, ruled, bound, and used every week. During that short time they are filled with MS. by the eight hundred subordinates and their chiefs. By way of contrast, we saw the single ledger which sufficed to post up the daily transactions of the Old Lady on her first establishment in business. It is no bigger than that of a small tradesman's, and served to contain a record of the year's accounts. Until within the last few years, visitors to the Bullion Office were shown the old box into which the books of the Bank were put every night for safety during the Old Lady's early career. This receptacle is no bigger than a seaman's chest. A spacious fire-proof room is now nightly filled with each day's accounts, and they descend to it by means of a great hydraulic trap in the Drawing Office; the mountain of calculation when collected being too huge to be moved by human agency.

These works are, of course, only produced for private reference; but the Old Lady's publishing business is as extensive as it is profitable and peculiar. Although her works are the reverse of heavy or erudite, — being "flimsy" to a proverb, — yet the eagerness with which they are sought by the public surpasses that displayed for the productions of the greatest geniuses who ever enlightened the world: she is, therefore, called upon to print enormous numbers of each edition, — generally one hundred thousand copies; and reprints of equally large impressions are demanded, six or seven times a year. She is protected by a stringent copyright; in virtue of which piracy is felony, and was, until 1831, punished with death. The very paper is copyright, and to imitate even that entails transportation. Indeed, its merits entitle it to every protection, for it is a very superior article. It is so thin, that each sheet, before it is sized, weighs only eighteen grains; and so strong, that, when sized and doubled, a single sheet is capable of suspending a weight of fifty-six pounds.

The literature of these popular prints is concise to terseness. A certain individual, duly accredited by the Old Lady, whose autograph appears in one corner, promises to pay to the before-mentioned Mr. Matthew Marshall, or bearer, on demand, a certain sum, for the Governor and Company of the Bank of England. There is a date and a number; for the Old Lady's sheets are published in Numbers; but, unlike other periodicals, no two copies of hers are alike. Each has a set of numerals, shown on no other. It must not be supposed, from the utter absence of rhetoric in this Great Woman's literature, that it is devoid of ornament. On the contrary, it is illustrated by eminent artists: the illustrations consisting of the waves of a watermark made in the paper; a large black blot, with the statement in white letters, of the sum which is promised to be paid; and the portrait, referred to in a former part of this account, of the Wonderful Old Lady.

She makes it a practice to print thirty thousand copies of these works daily. Every thing possible is done by machinery, — engraving, printing, numbering; but we refrain from entering into further details of this portion of the Old Lady's Household here, as we are preparing a review of her valuable works, which shall shortly appear, in the form of a History

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of a Bank-note. The publication department is so admirably conducted, that a record of each individual piece of paper launched on the ocean of public favor is kept, and its history traced till its return; for another peculiarity of the Old Lady's establishment is, that every impression put forth comes back, — with few exceptions, — in process of time, to her shelves; where it is kept for ten years, and then burnt. This great house is, therefore, a huge circulating library. The daily average number of notes brought back into the Old Lady's lap, — examined to detect forgeries; defaced; entered upon the record made when they were issued; and so stored away that they can be reproduced at any given half-hour for ten years to come, — is twenty-five thousands. On the day of our visit, there came in twenty-eight thousand and seventy-four of her picturesque pieces of paper, representing one million one thousand two hundred and seventy pounds sterling, to be dealt with as above, preparatory to their decennial slumber on her library shelves.

The apartment in which the notes are kept *previous* to issue is the Old Lady's Store-room. There is no jam, there are no pickles, no preserves, no gallipots, no stoneware jars, no spices, no anything of that sort, in the Store-room of the Wonderful Old Lady. You might die of hunger in it. Your sweet tooth would decay and tumble out, before it could find the least gratification in the Old Lady's Store-room. There was a mouse found there once, but it was dead, and nothing but skin and bone. It was a grim room, fitted up all round with great iron safes. They look as if they might be the Old Lady's ovens, never heated. But they are very warm in the City sense; for when the Old Lady's two store-keepers have, each with his own key, unlocked his own one of the double locks attached to each, and opened the door, Mr. Matthew Marshall gives you to hold a little bundle of paper, value two millions sterling; and, clutching it with a strange tingling, you feel disposed to knock Mr. Matthew Marshall down, and, like a patriotic Frenchman, to descend into the streets.

No tyro need be told that these notes are representatives of weightier value, and were invented partly to supersede the necessity of carrying about ponderous parcels of precious metal. Hence, — to treat of it soberly, — four paper parcels taken out, and placed in our hands, — consisting of four reams of Bank-notes ready for issue, and not much more bulky than a thick octavo volume, — though they represesent gold of the weight of *two tons*, and of the value of two millions of pounds sterling, yet weigh not quite one pound avoirdupois each, or nearly four pounds together. The value in gold of what we could convey away in a couple of side pockets (if simply permitted by the dear Old Lady in Threadneedle Street, without proceeding to extremities upon the person of the Chief Cashier) would have required, but for her admirable publications, two of Barclay and Perkins's strongest horses to draw.*

We have already made mention of the Old Lady's Lodge, Hall, Parlour, Store-room, and Drawing-room. Her Cellars are not less curious.

* One thousand sovereigns weigh twenty-one pounds, and five hundred and twelve Bank-notes weigh exactly one pound.

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In these she keeps neither wine, nor beer, nor wood, nor coal. They are devoted solely to the reception of the precious metals. They are like the caves of Treasures in the Arabian Nights; the common Lamp that shows them becomes a Wonderful Lamp in Mr. Marshall's hands, and Mr. Marshall becomes a Genie. Yet only by the power of association; for they are very respectable arched cellars, that would make dry skittle-grounds, and have nothing rare about them but their glittering contents. One vault is full of what might be barrels of oysters, — if it were not the Russian Loan. Another is rich here and there with piles of gold bars, set crosswise, like sandwiches at supper, or rich biscuits in a confectioner's shop. Another has a moonlight air from the presence of so much silver. Dusky avenues branch off, where gold and silver amicably abide their time in cool retreats, not looking at all mischievous here, or anxious to play the devil with our souls. O for such cellars at home! "Look out for your young master half a dozen bars of the ten bin." "Let me have a wedge of the old crusted." "Another Million before we part, — only one Million more, to finish with!" The Temperance Cause would make but slow way, as to such cellars, we have a shrewd suspicion!

Beauty of color is here associated with worth. One of these brilliant bars of gold weighs sixteen pounds troy, and its value is eight hundred pounds sterling. A pile of these, lying in a dark corner, — like neglected cheese, or bars of yellow soap, — and which might be contained in an ordinary tea-chest, is worth two hundred and ten thousand pounds. Fortune herself, transmuted into metal, seems to repose at our feet. Yet this is only an *eightieth* part of the wealth contained in the Old Lady's cellars.

The future history of this metal is explained in three sentences; it is coined at the Mint, distributed to the public, worn by friction (or "sweated" by Jews) till it becomes light. What happens to it then we shall see.

By a seldom failing law of monetary attraction, nearly every species of cash, "hard" or soft, metallic or paper, finds its way some time or other back to the extraordinary Old Lady of Threadneedle Street. All the sovereigns returned from the banking-houses are consigned to a secluded cellar; and, when you enter it, you will possibly fancy yourself on the premises of a clock-maker who works by steam. Your attention is speedily concentrated to a small brass box, not larger than an eight-day pendule, the works of which are impelled by steam. This is a self-acting weighing machine, which, with unerring precision, tells which sovereigns are of standard weight, and which are light, and of its own accord separates the one from the other. Imagine a long trough or spout, — half a tube that has been split into two sections, — of such a semicircumference as holds sovereigns edgeways, and of sufficient length to allow of two hundred of them to rest in that position one against another. This trough thus charged is fixed slopingly upon the machine over a little table as big as that of an ordinary sovereigns-balance. The coin nearest to the Lilliputian platform drops upon it, being pressed forward by the weight of those behind. Its own weight presses the table down;

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but how far down? Upon that hangs the whole merit and discriminating power of the machine. At the back and on each side of this small table, two little hammers move by steam backwards and forwards, at different elevations. If the sovereign be full weight, down sinks the table too low for the higher hammer to hit it; but the lower one strikes the edge, and off the sovereign tumbles into a receiver to the right. The table pops up again, receives, perhaps, a light sovereign, and the higher hammer, having always first strike, knocks it into a receiver to the left, time enough to escape its colleague, which, when it comes forward, has nothing to hit, and returns, to allow the table to be elevated again. In this way the reputation of thirty-three sovereigns is established or destroyed every minute. The light weights are taken to a clipping machine, slit at the rate of two hundred a minute, weighed in a lump, the balance of deficiency charged to the banker from whom they were received, and sent to the Mint to be recoined. Those which have passed muster are reissued to the public. The inventor of this beautiful little detector was Mr. Cotton, a former governor. The comparatively few sovereigns brought in by the general public are weighed in ordinary scales by the tellers. The average loss upon each light coin, on an average of thirty-five thousands taken in 1843, was two pence three farthings.

The business of the "Great House" is divided into two branches; the issue and the banking department. The latter has increased so rapidly of late years, that the last addition the Old Lady was constrained to make to her house was the immense Drawing-room aforesaid, for her customers and their payees to draw cash on checks and to make deposits. Under this noble apartment is the Strong Room, containing private property, supposed to be of enormous value. It is placed there for safety by the constituents of the Bank, and is concealed in tin boxes, on which the owners' names are legibly painted. The descent into this stronghold — by means of the hydraulic trap we have spoken of — is so eminently theatrical, that we believe the Head of the Department, on going down with the books, is invariably required to strike an attitude, and to laugh in three sepulchral syllables; while the various clerks above express surprise and consternation.

Besides private customers, every body knows that our Old Lady does all the banking business for the British Government. She pays the interest to each Stockholder in the National Debt, receives certain portions of the revenue, &c. A separate set of offices is necessary, to keep all such accounts, and these Stock Offices contain the most varied and extensive collections of autographs extant. Those whom Fortune entitles to dividends must, by themselves or by their agents, sign the Stock books. The last signature of Handel, the composer, and that upon which Henry Fauntleroy was condemned and executed, are among the foremost of these lions. Here, standing in a great long building of divers stories, looking dimly upward through iron gratings, and dimly downward through iron gratings, and into musty chambers diverging into the walls on either hand, you may muse upon the National Debt. All the sheep that ever came out of Northamptonshire seem to have yielded up their skins to furnish the registers in which its accounts are kept.

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Sweating and wasting in this vast silent library, like manuscripts in a mouldy old convent, are the records of the Dividends that are, and have been, and of the Dividends unclaimed. Some men would sell their fathers into slavery, to have the rummaging of these old volumes. Some, who would let the Tree of Knowledge wither while they lay contemptuously at its feet, would bestir themselves to pluck at these leaves, like shipwrecked mariners. These are the books to profit by. This is the place for X. Y. Z. to hear of something to his advantage in. This is the land of Mr. Joseph Ady's dreams. This is the dusty fountain whence those wondrous paragraphs occasionally flow into the papers, disclosing how a laboring thatcher has come into a hundred thousand pounds, — a long, long way to come, — and gone out of his wits, — not half so far to go. O wonderful Old Lady! threading the needle with the golden eye all through the labyrinth of the National Debt, and hiding it in such dry haystacks as are rotting here!

With all her wealth, and all her power, and all her business, and all her responsibilities, she is not a purse-proud Old Lady; but a dear, kind, liberal, benevolent Old Lady; so particularly considerate to her servants, that the meanest of them never speaks of her otherwise than with affection. Though her domestic rules are uncommonly strict; though she is very severe upon "mistakes," be they ever so unintentional; though she makes her in-door servants keep good hours, and won't allow a lock to be turned or a bolt to be drawn after eleven at night, even to admit her dearly beloved Matthew Marshall himself, — yet she exercises a truly tender and maternal care over her family of eight hundred strong. To benefit the junior branches, she has recently set aside a spacious room, and the sum of five hundred pounds, to form a library. With this handsome capital at starting, and eight shillings a year subscribed by the youngsters, an excellent collection of books will soon be formed. Here, from three till eight o'clock every lawful day, the subscribers can assemble for recreation or study; or, if they prefer it, they can take books to their homes. One chief of each office attends in turn during the specified hours, — a self-imposed duty, in the highest degree creditable to, but no more than is to be expected from, the stewards of a Good Mistress; who, when any of her servants become superannuated, soothes declining age with a pension. The last published return states the number of pensioners at one hundred and ninety-three; each of whom received on an average £ 161, or an aggregate of upwards of £ 31,000 per annum.

Her kindness is not unrequited. Whenever any thing ails her, the assiduous attention of her people is only equalled by her own bounty to them. When dangerously ill of the Panic in 1825, and the outflow of her circulating medium was so violent that she was in danger of bleeding to death, some of her upper servants never left her for a fortnight. At the crisis of her disorder, on a memorable Saturday night (December the seventeenth) her Deputy-Governor — who even then had not seen his own children for a week — reached Downing Street "reeling with fatigue," and was just able to call out to the King's Ministers, — then anxiously deliberating on the dear Old Lady's case, — that she was out of

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danger! Another of her managing men lost his life in his anxiety for her safety, during the burning of the Royal Exchange, in January, 1838. When the fire broke out, the cold was intense; and although he had but just recovered from an attack of the gout, he rushed to the rescue of his beloved Old Mistress, saw every thing done that could be done for her safety, and died from his exertions. Although the Old Lady is now more hale and hearty than ever, two of her cashiers sit up in turn every night, to watch over her; in which duty they are assisted by a company of Foot Guards.

The kind Old Lady of Threadneedle Street has, in short, managed to attach her dependants to her by the strongest of ties, — that of love. So pleased are some with her service, that, when even temporarily resting from it, they feel miserable. A late Chief Cashier never solicited but one holiday, and that for only a fortnight. In three days he returned, expressing his extreme disgust with every sort of recreation but that afforded him by the Old Lady's business. The last words of another old servant, when on his death-bed, were, "O that I could only die on the Bank steps!"

BANK LOCKS AND KEYS.

PROCEEDINGS OF THE INSTITUTION OF CIVIL ENGINEERS, LONDON, APRIL 9, 1850.

From the London Athenæum, April 13, 1850.

W. CUBITT, Esq., President, in the chair. The paper read was, "On the Construction of Locks and Keys," by Mr. J. Chubb. The author commenced by stating that the most ancient lock of whose form and construction there was any certain knowledge was the Egyptian, which had been in use for upwards of four thousand years. The construction of this lock was minutely described, — also that of the ancient "warded" and "letter" locks; and their origin and introduction were traced. These three kinds of locks were in principle the foundation of all modern locks; which might be thus enumerated, — reversed, for obvious reasons, in the order of antiquity. First, the letter locks; mostly used for padlocks, — so far convenient, as a key was not required for opening them. A modification of this lock had been proposed, called the "scutcheon" lock, for securing doors and iron safes, but it was too expensive and complicated to come into general use. Second, locks having fixed wards, — in which no real improvement had been made in modern times. These locks were bad in principle, as they could be easily picked; and, owing to many thousands of them being yearly made that could be passed by the same key, little or no security was afforded by them. In fact, it might be safely asserted that twenty skeleton keys would open all the locks, of a given size, made on this principle. Third, the Egyptian lock; the essential principle of which was that of movable pins, or studs, dropping into and securing the bolt, all of which must be raised to the proper height, by corresponding pins in the end of the key, before

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the bolt could be unfastened. This lock was the foundation upon which most of the ingenious inventions of late years had been based, differing only in the forms of the movable obstructions to the bolt, — some of which acted vertically, others horizontally, some with a rotatory motion, and many others in an endless variety of ways; but of all these it was thought sufficient to describe only those best known and appreciated, — namely, Barron's, Bramah's, and Chubb's. In Barron's lock, patented in the year 1774, a great improvement was made on the ancient Egyptian, by the introduction of the over-lift, — wards being also used; but, from the fact of there being only two tumblers, it was evident that no great change or permutation could be made in the combinations. In Bramah's lock, patented in the year 1784, there was a compound of both direct and rotatory motion given to the key, instead of simply the latter, as in Barron's lock. It consisted of a number of sliders, having notches of various depths cut on one edge; so that the motion of the bolt was totally prevented until each slider was pressed down its exact depth, — which was effected by the key having six cuts in it of different lengths. In Chubb's lock, first patented in 1818, and since modified and improved by various subsequent patents, there were six separate and distinct tumblers, placed over each other, and capable of being elevated to different heights, but all moving on the centre pin. This lock differed from the others in having a "detector," — by which any attempt to pick or open the lock with a false key was immediately notified on the next application of its own key. Calculations were gone into, to show the number of different combinations which might be made in this lock; and it appeared that, with an average-sized key, having six steps, each capable of being reduced in height twenty times, the number of changes would be 86,400, — that if the seventh step, which threw the bolt, was taken into account, the reduction of it only ten times would increase the number to 864,000. Further, that, as the drill pins of the locks and the pipes of the keys might be made of three different sizes, the total number of changes would be 2,592,000. In keys of the smallest size, the total number would be 648,000, whilst in those of the largest size it would be increased to 7,776,000 changes. In conclusion, it was stated, that the manufacture of locks and keys was principally carried on at Wolverhampton and the adjacent towns, at Birmingham, and in London; and that the fundamental principles on which all locks should be made were, perfect security; strength, so as to resist attempts to force them, or opening by picklocks and false keys; simplicity in the arrangement, so that any stranger having the proper key might be able to open the lock; and durability. The paper was illustrated by a series of diagrams, and a variety of specimens of the locks and keys noticed in the paper; and by a number of Gothic locks and keys of very elaborate workmanship, suitable for ecclesiastical buildings, &c., from Mr. Chubb's works in London. In the discussion which ensued, many additions were made to the historical part of the subject, and various ingenious contrivances were described, which had been successfully applied to give increased security to locks of ordinary construction. The combinations in the locks of Summerford and M'Kinnon (of New York) were fully described; an advantage being claimed for the former, in making one tumbler

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to lift and the other to fall in order to open it, — and for the latter, that, by the addition of a curtain of case-hardened iron, three quarters of an inch in thickness, radiating from the centre of the pin, and a radiating key, there were no means of reaching the tumblers, for the purpose of taking an impression, or otherwise, except by cutting through that curtain. On the other hand, it was positively asserted, that no impression could be taken of, or means invented for picking, a lock which had six tumblers, although it could be easily done with locks having fixed wards. Further, that Chubb's lock was a decided improvement on all others of the same character, inasmuch as it possessed a "detector," — which formed really the peculiar feature of that lock. The excellence of the workmanship tended also to the facility of action, and consequent durability, for which it was so celebrated.

ANCIENT COINS.

A SMALL but very select collection of extremely rare Greek coins was lately disposed of at Messrs. Sotheby & Wilkinson's rooms, the property of Mr. F. R. P. Boocke, a Russian gentleman. Many of the coins in this cabinet rival most other specimens known here or on the Continent; and they generally obtained good prices, notwithstanding the approaching sales of Mr. Brunell's extensive and very choice collection, and of that of a distinguished nobleman, — both abandoning the pursuit. Among the principal features of Mr. Boocke's cabinet were the following: — Lot 10, a most rare and fine medalet, in brass, of Hannibalianus, brother of the Emperor Dalmatius, with the curious, unique legend, FL. HANNIBALIANO REGI (!) This beautiful piece was found in making the excavations for the Birmingham Station, — and is of great value. A small coin of Eugenius, very rare, in brass, sold for £1 15*s.* only: specimens of it are seldom met with, even in the best collections. A fine and valuable Roman medallion of Philip senior, Otacilia, and Philip junior, perfectly genuine, was withdrawn. Lot 20, a large brass medal of Julius Cæsar, sold for £3 3*s.*: — one of Didius Julianus, for £2 19*s.*: — one of Manlia Scantilla, for £3 17*s.*: — and one of Caracalla, ℞ the famed Circus Maximus, for £3 3*s.* These last beautiful medals formerly belonged to one of the greatest collectors in Italy. Lot 41, a rare gold medal of Agrigentum, certainly authentic, sold comparatively cheap, being valued by Mionnet at £12. Lot 58, a splendid silver medal of Croton, executed in the best style of art, representing the Infant Hercules strangling the Serpents, sold for only £2 5*s.* We believe it was formerly in the famed Pembroke collection. A most rare Ionic silver coin of Miletus, lot 77, produced 33*s.* A silver tetradrachm of Amyntas, lot 84, brought £2 17*s.*, being rather a high price at the present time. The Greek copper coins in general were both fine and rare, and produced very adequate prices. A unique one of Britannicus brought £3 5*s.* It was struck at Heraclea, in Bithynia. — *London Athenæum, April* 6, 1850.

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Numismatic Discovery. — At Jever, in the Grand Duchy of Oldenburgh, a remarkable discovery was recently made, in a parcel of about 4,000 pieces of silver money of the periods of the different Emperors down to Antoninus the Pious. There is every probability that a Roman merchant-vessel was wrecked on a sand-bank in that neighbourhood some seventeen hundred years ago. Part of these coins unfortunately were sold or smelted down by the laborers who made the discovery. — *Brussells Herald.*

Ancient Coins. — An interesting numismatic discovery was lately made on some land at Filschberg. The spot is a somewhat steep hill, standing apart on the left bank of the Rosselle, and commands the road from Sarrelouis and that of Sarrebrück. From time immemorial it has been considered important as a military position. The Romans certainly possessed very considerable establishments there. In the thirteenth century the ruins of a temple dedicated to Mercury were still to be seen on the spot. The researches which have been made there at different times have resulted in the discovery of numerous traces of ancient edifices. On recently building a wall in the immediate neighbourhood, it was necessary to remove some heavy masonry partially covered with the ground; and in the body of it was found a cavern closed by means of large blocks of stone. This cavern, independently of several misshapen objects and some common vases, contained a common earthen basin, a rather considerable number of Roman coins and medals of nearly all the princes of the Flavian family, — amongst others of Constantia Chlorus, Constantine, and Julian. Others are of an earlier date. There is one of Trajan, in silver, which is very well preserved, — a copper coin of Alexander Severus, and another of Marcus Aurelius. Two very rare pieces were likewise found bearing the name and effigy of *M. Lat. Cassianus Posthumus*, one of the thirty tyrants under Galien, a valiant captain who reigned seven years (260 to 267) over Gaul, Spain, and Britain. — *Ibid.*

BANK LIBRARY.

The prospects of the Bank of England Library and Literary Association — instituted by the Directors, as our readers know, for the use of the clerks — are very encouraging. On Wednesday, the reading-room was opened by the Deputy-Governor of the Bank. There was a very numerous meeting of the members; when the Chief Cashier, as President, and the Chief Accountant, as Treasurer, of the Institution, moved and seconded a vote of thanks to the Court of Directors for the manner in which they have fitted up the library, and for the liberal support accorded by them to the Association. The Court of Directors collectively have voted £500 for the purchase of books, and several of the Directors have made individually valuable donations. Mr. T. Baring has presented the committee with £100, to be expended by them in books; and others have contributed largely to the Association. Many of the clerks, too, have presented valuable works. — *London Athenæum, May* 18.

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CIRCULATION OF BILLS OF EXCHANGE.

Proceedings of the London Statistical Society, May, 1850.

Sir J. P. Boileau, V. P., in the chair. Lord H. Vane, and R. I. Jopling, Esq., were elected Fellows. Mr. Newmarsh laid before the meeting the substance of an extensive investigation, in which he has been engaged for some time, concerning the Amount and Fluctuation of the Circulation of Bills of Exchange during the twenty years 1828 – 1847. The only previous attempt that has been made to determine statistically the amount of the bill-currency was by the late Mr. Leatham, a banker of Wakefield. Mr. Leatham's researches took place in 1840, and applied to the six or seven years preceding that date. The great difficulty in any statistical inquiry, with reference to bills of exchange, consists in the difficulty of obtaining by actual observation such an amount of data as will enable us to determine accurately the average sum drawn upon each denomination of stamp and the average usance. Unless these two fundamental elements of the calculation can be determined, the official returns furnished by the stamp office are of little use. In former computations the average sum and average usance of each kind of bills have been settled by estimate only. Mr. Newmarsh has arrived at greater precision. By the assistance of six of the largest city bankers, he has been furnished with returns compiled from *bonâ fide* bills in their possession. These returns embrace all the data which are of importance in the computation, and the number of facts which they include is considerable; they contain the results of an actual examination of 4,367 bills of exchange, representing a sum of £ 1,216,884. With the assistance of the data thus obtained, Mr. Newmarsh has computed the amount of the bill-circulation for each year, 1828 – 1847, in Great Britain, in England, in Lancashire, and in Cheshire. The general result is, that the average bill-circulation of the twenty years 1828 – 1847 is in England £ 79,127,000; Scotland, £ 17,380,000; Lancashire, £ 10,798,000. These amounts represent the quantity of bills constantly in circulation at one time. The amount, therefore, of bills in circulation in England is at all times four times as great as the amount of Bank of England notes. Mr. Newmarsh has also included in his researches the drafts drawn in Great Britain on foreign countries, in payment of the exports sent from this country. This is a branch of the subject now brought into notice for the first time. He has also endeavoured to arrive at approximate statistical results with reference to the amount of capital habitually employed in the London market, and constantly at the command of the banking establishments of London and the provinces, and also as to the classes of security upon which these funds are advanced. The sections of the paper which contained the results of these computations may be regarded as among the most interesting features of the whole, both in novelty and importance. Mr. Newmarsh has not confined himself to merely statistical investigation. He has to establish general conclusions as well as to exhibit particular facts. One of the facts apparently most completely established by every part of the investigation is directly at variance with what

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has hitherto been the expressed opinion of the highest authorities with reference to the movements of the Bill-Currency. Hitherto it has been regarded as certain that the fluctuations in the amount of bills of exchange corresponded very closely with the fluctuations in the amount of bank-notes; for example, that more bank-notes produced more bills of exchange, and *vice versâ*. The investigations of Mr. Newmarsh lead to a conclusion directly opposed to this. The whole of the evidence which he has collected goes to prove that between bank-notes and bills of exchange there is a very slight connection, if any at all; and that the causes which govern the bill-currency, and lead, for example, to its expansion, are not even a period of prosperity and an increase of trade, — but the opposites of these, viz., seasons of difficulty and distress among the commercial classes. For instance, the bill-circulation of 1847 is the *highest* in the whole of the twenty years. With reference to the Foreign Trade of the country, Mr. Newmarsh's investigations — and they are of great extent — lead to the conclusion that it is quite impossible to arrive at any just estimate of the favorable or adverse character of the balance of trade, or even of the magnitude of that balance, by any calculation founded merely on the returns of the Custom-House; and that the only certain indications of the posture of international accounts are the course of exchange, and the influx and efflux of bullion.

The meeting very generally recognized the novelty and importance of the views and results laid before it by Mr. Newmarsh; and it was determined to resume the consideration of the subject at the next meeting of the Fellows, on the 20th of May.

SUGGESTIONS FOR PREVENTING DEFALCATIONS.

From the London Bankers' Magazine.

THE following are the suggestions offered by Mr. Saunderson (in his Essay on "Guarantee Assurance," noticed in our May number), for the purpose of preventing, as far as possible, the occurrence of defalcations by persons intrusted with the safe-keeping of cash and valuable securities. We agree generally in the usefulness of the hints which Mr. Saunderson offers for the security of employers; and as he states that they are the result of the experience of the *Guarantee Society*, they are no doubt well calculated to produce the result intended. There is one point, however, with reference to the payment of salaries and wages, which we think may be usefully noticed. Several large establishments, where the salaries of the clerks used to be paid quarterly, *have adopted the plan of paying them monthly*, and we think the same rule might be advantageously adopted by all large establishments, with benefit to the employers as well as to the employed. Junior clerks, in particular, are seldom in a position to require no pecuniary assistance during an entire quarter; but if their salaries are paid at lesser intervals, they have no occasion to contract debts; which in many cases lead to an improper

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use of their employers' money, even where no intention exists of acting dishonestly. *The payment of salaries monthly* has been found an excellent means of preventing defalcations, and is well deserving of consideration by employers.

Mr. Saunderson arranges his suggestion as follows: —

Public Companies.

Corporations, public companies, parishes, and large establishments, should make all payments by warrants (in other words, checks), and each should be crossed, if only in blank, when above £5 or £10, or some other fixed sum. Banking accounts are so common, that any tradesman will cash a check.

A separate check to be made in favor of every person to whom any money is due.

No check to be drawn until the payment is to be actually made.

To prevent the check being broken, — that is, cash got for it by a wrong person, by which the tradesman or other person may be improperly put off with only a sum on account, — let it be the duty of another clerk or department to send a printed notice to the party, informing him that a check has been signed for £——, which he may receive any day on and after the ——.

Not to sign a check in *blank*, which is placing temptation in the path of a man who might otherwise continue an honest and respectable member of society.

If the Secretary or Principal cannot draw each check *with his own hand*, it should be an invariable rule for the cashier or clerk to exhibit, at the *close of the day's* business, all the numbers in the register-book against which checks have been granted; and it would be a further safeguard, if each of these numbers, and the check counterfoil to which it refers, were *at once* marked by the Secretary or Principal with his initials. A regulation of this kind has many of the advantages of a *daily* supervision.

Whenever, from the nature of the employment, many cash payments beyond the small disbursements of the petty cash cannot be avoided, a small book, called a "Till-Book," may be used with advantage. This book may contain entries in the most concise form of sums paid and received. The balance of the two sides will always show the cash actually in the till; and if the *vouchers* of the payments charged are examined *daily*, as they may be with great ease and expedition, a small record of this nature will be of material service as a check and corrective of the regular Cash-Book.

Wherever it is not possible to follow out the practice recommended in the two previous paragraphs, great care should be taken to examine the accounts and balance of the cashier, *not* on certain fixed periodical days, but at *irregular* times, of which the smallest possible notice should be given. The plea of notice required in such cases, so often set up, is quite inadmissible. If the vouchers be arranged every day, and the entries properly and methodically made, a cashier can close his accounts in one hour as easily as he can in one week.

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Agencies.

In business of this description, which affects so extensive a circle of interests including the landed proprietor, public companies, and the mercantile man, let the agent be required to keep a *separate* cash account at a bank, as *agent* for the party he represents, whether for collection of rents, an insurance company, manufacturer, or otherwise. If the party become a bankrupt, the account is the account of his *principal*, and will not pass with his estate. A gentleman of landed estates, or a large firm, can arrange with a local bank, when the business is extensive, for remittances periodically. Other advantages and uses will readily occur to a principal from the possession of such a local account.

When stock in trade is intrusted to an agent, the *piece* stock should be invariably taken by the principal, or a third party, at least every *three or six months*. The agent not to accept bills for or on account of his employer, but all bills to be drawn by the employer only. Many principals show a melancholy remissness as to stock-taking, to the great injury of the agent, exposing him to robbery by others, which such a practice would check by the discovery of the deficiency at the period of stock-taking.

The balance shown on a periodical account should be always handed to the principal, and never carried from account to account. If the employment involve a current expenditure on behalf of the principal, a check can be given or sent to the party on the same day as the cash balance is paid over.

Bankers.

Whenever the till of a cashier is examined, the coin, whether tied up in parcels or loose, should be carefully counted or weighed, to detect any substitution of coin of inferior value. It is very desirable that these examinations of each cashier's till should be made twice or thrice in the course of each half-year; that no previous notice should be given of them; and that the tills of all the cashiers, where more than one is employed, should be examined on the same day.

There should be a stringent rule against the admission of I O U's in any form whatever, *as value* in counting up the contents of cashier's till, either at the end of each day, or at the time when it is examined.

If arrangements can be made for granting the cashiers and clerks a holiday of some days' duration during each year, and during that holiday placing the duties of the absentee in the hands of a clerk quite unconnected with him, a check of the most efficacious kind will be introduced into the office.

General.

At the period of accounting, let the *balance* shown on the face of the account *be always paid over*. A knowledge that the balance of one account may be *carried over* to another, acts most injuriously, and often leads a servant into difficulties which he would otherwise avoid. The Society's experience shows the neglect of this precaution to be a frightful cause of dishonesty, with all its attendant evils to the employer.

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LEGAL MISCELLANY.

From Putnam's United States Digest. Vol. III. Boston: Little and Brown. 1850.

Banks and Banking.

Acts incorporating Banks; their Construction, &c. Statutes respecting Banks and their Proceedings. Officers of Banks; their Authority; and of the Admissibility in Evidence, and the Effect, of their Declarations, &c. Rights, Authority, and Liability of a Bank. Tax on Banks. Bank-Notes and Checks. Bills of Exchange.

Acts incorporating Banks; their Construction, &c.

By the charter of the Planters' Bank of Mississippi, a sinking fund was provided for, to pay the holders of the bonds of the State, issued to purchase stock, but such bond-holders have no control over the appointment of the trustees of such fund, nor over the trustees in their management of it. If they can object to its management at all, they can do so only in a court of equity; and there, it seems, only for an improper exercise of authority. *Young* v. *Hughes*, 12 S. & M. Miss. Reports, 93.

By the charter of the Planters' Bank of Mississippi, a portion of the dividends which should accrue to the State on their stock were to be set apart to constitute a sinking fund, to pay off the bonds issued to raise the money for the purchase of the stocks. By a subsequent statute, the charge of this fund was given to a "State commissioner," who was authorized to coerce payment of debts by suit or otherwise. In an action in the name of the commissioner, to recover a debt belonging to the fund, it was held, on demurrer to the declaration, that the State held the fund in trust, and it was her duty to appoint a trustee in case any vacancy occurred; that the court would infer a vacancy from the appointment of a new trustee, and no objection being made on the part of the former trustee; that if the consent of the former trustees were required to the new appointment, it would be presumed from their surrender of their trust to the new trustees; the debtors to the fund could not object to this appointment, as the trust was not for them; that the legal title was in the State commissioner, and that he could maintain the action. *Ibid.*

The thirty-second section of the charter of the Bank of Louisiana, which authorizes a wife to bind herself jointly or *in solido* with her husband, in hypothecary contracts or obligations entered into by any individual with or in favor of that bank, does not limit such authority to contracts authorized by the thirteenth paragraph of the fifteenth section of the charter, but empowers the wife to bind herself in any contract which any individual may lawfully make with the bank under its charter. *Bank of Louisiana* v. *Farrar*, 1 La. Ann. Reports, 49.

Statutes respecting Banks and their Proceedings.

The banking associations formed under the act of the legislature of

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Michigan of March 15, 1837, entitled "An act to organize and regulate banking associations," allowing any persons to form associations for the purposes of banking, upon the terms specified in the law, and the act of December 30, 1837, to amend the former act, making the stockholders liable, in their individual character, under certain circumstances, for the debts of the association, having been declared to be corporations within the meaning of the constitution of Michigan, and those acts having been declared unconstitutional and void by the Supreme Court of Michigan, the Supreme Court of the United States will adopt and follow that decision. *Nesmith* v. *Sheldon*, 7 Howard, U. S. 812.

Under the sixth section of the title of the revised statutes of New York relative to unauthorized banking, foreign corporations are still prohibited from keeping any office in New York for the purpose of receiving deposits, or for discounting notes or bills; and an officer or agent of such corporation, who attends from time to time at certain known places in New York, for the purpose of receiving deposits or of discounting notes or bills with the funds of the corporation, and for its benefit, and does so receive deposits, or does so discount paper, renders himself personally liable to the penalties prescribed by the seventh section of the act. *Taylor* v. *Bruen*, 2 Barbour, N. York Ch. R. 301.

An association, organized under the act of 1838, in New York, to authorize the business of banking, may be sued, in the same manner as a corporation, by a summons against it in its assumed name. *Case* v. *Mechanics' Banking Association*, 1 Sandf. N. Y. Sup. Ct. R. 693.

The act of 1840, in Georgia, which provides for the appointment of a receiver to take charge of the assets of the banks, where the charters thereof may be declared forfeited by judicial proceedings, and the several acts amendatory thereof, are not unconstitutional, as impairing the rights of debtors to the bank, on the ground that otherwise the debts due to the corporation would be extinguished by its dissolution, because, without such legislation, the rights of the corporation, on its dissolution, would become vested in the people, and they have a right therefore to provide, through the legislature, for the appointment of receivers. *Hall* v. *Carey*, 5 Georgia, 239.

By the fifth section of the act of Mississippi of 1843, prescribing the mode of proceeding against incorporated banks for a violation of their corporate franchises, &c., it is enacted that the provisions of the act shall not extend to the Commercial and Railroad Bank of Vicksburg, so as to affect the railroad and its operation. Held, that this bank was not by this provision exempted entirely from the operation of the act; the provision only limited the extent of the judgment of forfeiture against the bank in the event one should be rendered. *State* v. *Commercial & Railroad Bank of Vicksburg*, 12 S. & M. 276.

Before that statute, that bank made an assignment of all its assets for the benefit of creditors. In 1846, proceedings in the nature of *quo warranto* were commenced against the bank. The assignees moved to quash the information and dissolve the injunction. Held, that this could be granted only so far as the railroad was concerned. *Ibid.*

An assignment of the property and effects of a bank to a trustee, ap-

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pointed under the Mississippi statute of 1843, vests in the trustee the legal title to such property only of which the bank had the beneficial interest. Such assignment does not pass a naked legal title to the trustee. *Bacon* v. *Cohea*, 12 S. & M. 516.

Where, before the assignment to the trustee, the bank had transferred, without indorsement, a note payable to the bank, to a third person, it was held, that an action would not lie in the name of the trustee upon such note. *Ibid.*

One who has received money for the use of the commissioners of a bank in liquidation, under the statute of March 9, 1842, in Louisiana, cannot plead in compensation a debt due to him as a depositor, by the bank, before its failure. *French* v. *Stanton*, 1 La. Ann. R. 8.

Notwithstanding the act of January 31, 1843, in Arkansas, placing the State Bank in liquidation, and vesting its powers in receivers, it was held, that the bank might yet sue and be sued, plead and be impleaded, as a corporation. *Underhill* v. *State Bank*, 1 English, 135.

The delivery of a note to a branch of the Bank of Arkansas for discount, is a delivery to the principal bank. *Murphey* v. *State Bank*, 2 English, 57.

The Bank of the State of Arkansas and its branches constitute but one corporation; and contracts made with a branch may be sued on in the name of the principal bank. *Wallace* v. *State Bank*, 2 Eng. 61.

The Arkansas statute of January, 10, 1845, making appropriation to pay judgments against the State Bank, does not deprive a judgment creditor of his ordinary remedy by execution. *McJunkin* v. *State Bank*, 3 English, 61.

The liquidation act of 1843, in Arkansas, did not destroy the corporate existence of the Bank of the State. *Ferguson* v. *State Bank*, 3 English, 416.

A banking institution, organized under the general banking law of Michigan, which was held unconstitutional, drew certain drafts on A, to the amount of $ 12,000, which A accepted for the accommodation of the bank, on its depositing with him $ 15,000 of its own bills to secure and indemnify him. The drafts were dishonored at maturity. B, C, and D, who, with others, were by the terms of the banking law liable for the debts of the bank, in consideration of the delivery to them by A of the $ 15,000, in bills, made and delivered to E a promissory note for $ 1,000, and also assigned to him certain other securities, upon the trust, that he should collect the moneys due and to become due thereon, and apply the same to the payment of the drafts drawn upon A, and in indemnifying A against his acceptances thereof. Held, that although the general banking law was unconstitutional, and the bills of the bank and the drafts were illegal and void, yet the notes and assignment in trust were not tainted with the illegality, but were legal and valid, and that E could recover upon the note, without showing that A had been damnified by reason of his acceptances of the drafts. *Smith* v. *Barstow*, 2 Doug. 155.

The general banking law of Michigan (S. L. 1837, p. 76) being unconstitutional and void, in so far as it purports to confer corporate powers (*Green* v. *Graves*, 1 Doug. 351), no foreclosure can be maintained upon

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a mortgage executed to a bank organized under its provisions. *Hurlbut* v. *Britain*, 2 Doug. 191.

In a bill to foreclose a mortgage executed to the Detroit City Bank, June 20, 1839, it was alleged that the bank was a body politic and corporate, in, &c.; that in March, 1839, the bank commissioners of the State filed a bill in chancery against the bank, charging insolvency and a violation of the law under which it was organized, whereupon receivers were appointed to take charge of the effects of the bank, &c.; and that said receivers assigned the mortgage to the complainant. Held, that, upon these allegations, and the laws of the State, of which the court was bound to take judicial notice, the court would assume that the bank was organized under the provisions of the general banking law of Michigan, and, that law being unconstitutional, the mortgage could not be enforced. *Ibid.*

Officers of Banks; their Authority; and of the Admissibility in Evidence, and the Effect, of their Declarations, &c.

Whatever is done by the cashier of a bank within the sphere of his duties, is the act of the bank. *Badger* v. *Bank of Cumberland*, 26 Maine (13 Shep.), 428.

Notice to a bank-director, he not being an organ of communication with the corporation, is not notice to the corporation, though he is present when the corporate act is afterwards done which is sought to be affected by the notice. *Custer* v. *Tompkins County Bank*, 9 Barr, 27.

The admissions of the president of a bank, who was also its special agent, of his acts done in the course of his agency, are evidence against the bank. *Spalding* v. *Bank of Susquehanna County*, 9 Barr, 28.

Neither a remittance of money to one as the agent of a bank by another party, and his consent to receive it as such, nor his admissions, or the fact that he is a director of the bank, have any tendency to prove that he is the agent of the bank. The consent of the bank that he should so act is necessary. *Holman* v. *Bank of Norfolk*, 12 Ala. 369.

The officers of the State Bank of Arkansas were entitled to have their salaries paid in gold and silver; and, notwithstanding the liquidation act of 1843, they were entitled to continue in office, and to draw their salaries, until the surrender of the assets of the bank to the receivers. *State Bank* v. *Crease*, 1 English, 292.

To an action of debt on a note by the State Bank it is a good plea at law by the surety, that the bank took a mortgage security from the principal, and gave him day of payment, without the consent of the surety; but, under the issue to such plea, the defendant must prove that the board of directors of the bank accepted the mortgage security. *Ferguson* v. *State Bank*, 3 English, 416.

Rights, Authority, and Liability of a Bank.

The Commercial Bank of Buffalo had no power to deal in State stocks. *Austin* v. *Daniels*, 4 Denio, 299.

Where bills of exchange are drawn in favor of the cashier of a bank, and are discounted by the bank, they are, in law, drawn in favor of the

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bank; and it may sue thereon in its own name. *Wright* v. *Boyd*, 3 Barb. Sup. Ct. R. 523.

Where bills of exchange are transferred by one bank to another, upon an understanding that, if collected, the proceeds shall be credited to the assignor, but not otherwise, this amounts to an assignment of the bill, with a guarantee of collection; and the assignee has such an interest in the bills, that it may maintain an action thereon in its own name. *Ibid.*

The banks of Maryland are secured in the privilege of issuing checks, bills of exchange, and certificates of deposit. *Burton* v. *State*, 3 Gill, 1.

If, after a *quo warranto* issued against a bank for a forfeiture of its charter and an injunction granted, the bank commence a suit, it is error to dismiss such suit; the remedy is by a proceeding for a contempt against the party or his attorney. *Robertson* v. *Hoy*, 12 S. & M. 566.

Where a bank in which a note has been deposited for collection, in case of non-payment, places it, for protest, in the hands of the notary to whom its own business is uniformly intrusted, it will not be responsible for the failure of the notary to protest the note, or to notify the proper parties. *Baldwin* v. *Bank of Louisiana*, 1 La. Ann. R. 13.

A certificate by a branch of the Bank of Arkansas of the deposit in that branch of a certain sum in the bills of that branch, subject to the order of the depositor on return of the certificate, is a general, and not a special deposit, and the depositor may recover the amount in specie. *Wallace* v. *State Bank*, 2 English, 61.

If a bank, on discounting a bill of exchange, corruptly reserves greater interest than it is authorized by its charter to receive, the bill will be void; and so also will be a new bill given in renewal of the balance due on such previous illegal one. *Orr* v. *Lacey*, 2 Douglass, 230.

Tax on Banks.

A bank chartered under the act of 1824, in Pennsylvania, which prescribes the payment of a certain tax on dividends declared, is subject to a subsequent general law, which increases the rate of taxation, although its charter had not then expired; and such law is constitutional. *Commonwealth* v. *Easton Bank*, 10 Barr, 442.

The auditor-general and State treasurer of Pennsylvania have jurisdiction, under the act of 1811, &c., to settle an account and state a balance against a bank for unpaid taxes on dividends. And the fact that an amount was paid and received by the treasurer for such taxes, does not preclude a settlement of an account for the excess legally due. *Ibid.*

A bank is liable for only six per cent. interest, after three months from a settlement of an account against a bank for unpaid taxes on dividends, where the case is tried on appeal therefrom to the Common Pleas, under the act of Assembly of Pennsylvania. *Ibid.*

A general law, taxing the dividends of banks, was passed on the 1st of April. On the 7th, an act was passed, extending the charter of an existing bank, from a future period, when the former charter would expire. The act of the 7th contained a provision for taxation similar to that of the 1st, but taxes were not to be levied under it until the new charter went into operation. Held, that the latter act did not repeal the former. *Ibid.*

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Bank-Notes and Checks.

Post-notes, issued by banking associations, having been decided to be absolutely void, it was held, that an assignment of securities, made by a banking association to trustees, as a collateral security for such post-notes, was also void, and transferred no title to the assignees. *Tylee* v. *Yates*, 3 Barb. Sup. Ct. R. 222.

Where the claim of a creditor, under a judgment against a bank, was founded on bank-notes issued by the bank, bearing various dates from 1835 to 1841, without any proof to show when such notes were issued by the bank, or when the plaintiff received them, or how large a proportion of the indebtedness constituting the plaintiff's judgment arose upon notes bearing date before the execution of a deed of trust of land, for which the bank furnished the consideration, dated December 4, 1839, it was held, that there was no evidence that the plaintiff was a creditor of the bank at the date of the deed. *Wright* v. *Douglass*, 3 Barb. Sup. Ct. R. 554.

Though, as between individuals, where a note is payable in the issues of a bank, the value of the notes of the bank, at the time the debt becomes due, is the measure of recovery, yet a different rule prevails where a bank is suing upon a note payable in its own issues; in such case, the bank will be entitled to recover the full amount of the note and interest, because the defendant can, if he choose, even after judgment, discharge the debt with the issues of the bank. *Abbott* v. *Agricultural Bank of Mississippi*, 11 S. & M. 405.

The statutory lien of bill-holders, under the charter of the Monroe Railroad and Banking Company, attaches equally upon all the property and effects of that company, to the exclusion of judgment creditors. *Woodward* v. *Central Bank*, 4 Georgia, 323.

The decree of the Circuit Court, so far as it settled the relative dignity of the liens of the bill-holders and judgment creditors of the Monroe Railroad and Banking Company upon the fund raised by the sale of the effects of that company, was not reversed by the judgment of the Supreme Court of Georgia in *Collins* v. *Central Bank*, letting in the paramount claim of Dr. Collins; and a judgment creditor cannot demand a judgment of the Circuit Court *de novo* upon his lien; and if such were rendered, he would not be entitled to a writ of error thereon as late as December, 1847. *Ibid.*

The general doctrine applicable to bank-checks, that, in order to charge the drawer in case of dishonor, the same must be presented for payment within a reasonable time, and notice given to the drawer within a like reasonable time, otherwise the delay is at the peril of the holder, extends to all holders, whether payees or transferees. *Daniels* v. *Kyle*, 5 Geo. 245.

If the holder of a bank-check neglect to present the same for payment within a reasonable time, and the bank fail between the time of drawing and the presentation thereof, the drawer is discharged from liability, to the extent of the injury he has sustained by reason of such failure. *Ibid.*

Current bank-notes are such as are convertible into specie at the counter where they were issued, and pass at par in the ordinary transactions of the country. *Pierson* v. *Wallace*, 2 English, 282.

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Form, Nature, Requisites, &c., of Bills of Exchange.

An order drawn in express terms for a particular fund, will operate as an assignment of the fund, but it will not be negotiable, and is not a bill of exchange. *Cowperthwaite* v. *Sheffield*, 1 Sandf. Sup. Ct. R. 416.

An order to pay when in funds, drawn by a consignor on his consignee in favor of a third person, with the name of the consignee written on the face of the order, coupled with evidence from which a promise to pay can be deduced, entitles the payee to sue the drawee, on proof of the drawee's being in funds. *Gillespie* v. *Mather*, 10 Barr, 28.

Where a consignee accepted an order from his consignor in favor of a third person to pay when in funds, and the drawer was previously indebted to the drawee, and the latter had accepted bills drawn by the former prior to the acceptance of the order, it was held, that he could deduct such debts and liabilities from the funds applicable to the order. *Ibid.*

A bill drawn in Mississippi, payable in New Orleans, is not subject to the statutes of Mississippi relative to bills of exchange, but is governed by the general principles of commercial law. *Fellows* v. *Harris*, 12 S. & M. 462.

A draft, drawn on a shipment, and sold with the bill of lading appended to it, is not strictly a bill of exchange; it wants the essential requisite of being negotiable and payable at all events, independent of its consideration. *Lanfear* v. *Blossman*, 1 La. Ann. R. 148.

Every foreign or domestic bill of exchange must be payable at all events, and not dependent upon a contingency, or out of a particular fund, and must be payable in money only; and orders, to be negotiable, must be of the same character, and have the same requisites. *Strader* v. *Batchelor*, 8 B. Monroe, 168.

An order drawn upon the treasury by a public officer, for his salary, is not a bill of exchange. *Ibid.*

Transfer and Indorsement, and Effect thereof; and what will operate to discharge the Parties to a Bill.

A bill of exchange drawn against a consignment does not operate as an assignment of the proceeds, nor is the consignee bound to accept the bill or to apply the proceeds to its payment, unless a letter of advice, directing such specific application, accompany the consignment. *Cowperthwaite* v. *Sheffield*, 1 Sandf. Sup. Ct. R. 416.

Where, on a shipment of cotton from Mobile to Glasgow, the shipper drew bills on the consignee on account of the same, and advised the consignee thereof, which, being presented before the cotton arrived, were refused acceptance, and subsequently, after selling the cotton, the consignee paid over the proceeds to the shipper, without providing for the bills, it was held, that the holders of the bills had no lien or claim on such proceeds, and having obtained the proceeds by a judicial proceeding, founded on those and other bills of the shipper, they were not bound to apply the proceeds to the first-mentioned bills exclusively. *Ibid.*

Where a bill was drawn for the accommodation of the payee, who in-

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dorsed the bill before maturity to the drawees as collateral security for a preëxisting debt, and the drawees thereupon forbore suit upon the debt secured, it was held, that the drawer was liable thereon to the drawees. *Fellows* v. *Harris*, 12 S. & M. 462.

The legal title to a bill of exchange does not pass by a deed of assignment thereof. *Grand Gulf Bank* v. *Wood*, 12 S. & M. 482.

The ninth section of the statute of Mississippi, of June 9, 1822, authorizing the defendant, in an action commenced by an assignee of certain written instruments, to set up any defence which he might have pleaded against the original payee or creditor, does not apply to bills of exchange. *Watt* v. *Rice*, 1 La. Ann. R. 280.

The release of an indorser and accommodation acceptor of a bill of exchange, in order to use their testimony in an action against the drawer, will not discharge the latter. *Ibid.*

An indorsement of a bill, without delivery, does not divest the legal interest of the holder. *Bizzell* v. *Bank of the State*, 3 English, 459.

Where the indorsements of a bill are in blank, the holder may make himself the immediate indorsee of any one of them, or he may derive his title through all in succession. *Ibid.*

Acceptance, and the Effect thereof.

The promise of the drawer of a sight bill to pay the same, made to the holder, on inspecting it after its return protested, with an acceptance written upon it, is sufficient evidence of its acceptance, in a suit against the drawer. *Mottram* v. *Mills*, 1 Sandf. Sup. Ct. 37.

The indorser of a draft, who has paid or secured the amount thereof to the indorsee, and has taken a transfer of the draft, has a right to sue the acceptor, and to recover, for his own use, the same amount which the indorsee could have recovered in a suit upon the acceptance; and it is not necessary that such indorser should have paid the amount thereof, if the indorsee has relinquished his claim upon the acceptance, either for security, or for a nominal consideration. *Deas* v. *Harvie*, 2 Barb. Ch. R. 448.

One of two partners drew, in the name of his firm, a bill upon A, payable to the order of B, and, having forged the name of B as indorser upon the bill, presented it to a bank, had it discounted in the regular course of business, and applied the proceeds to his private use. The cashier indorsed the bill and transmitted it to C for collection, and A accepted and paid it to C. After discovering that B's indorsement was forged, he sued C, to recover back the money so paid. Held, that B's indorsement was not necessary, he being a stranger to the transaction, that A had a good claim against the drawers of the bill, and that he could not maintain this action against C. *Coggill* v. *American Exchange Bank*, 1 Comst. 113.

A, in consideration of a purchase made of B, gave to him his promissory notes therefor, and his own acceptance of a bill drawn on him by C, taking back a receipt, reciting that the bill was to be given up on the payment of the notes of A. Held, that these facts only showed the consideration of the bill, and did not make it conditional or payable on a contingency. *Goodwin* v. *McCoy*, 13 Ala. 271.

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Where a bill of exchange, drawn on a shipment, and payable a certain number of days after sight, is sold with the bill of lading appended to it, the holder cannot, in the absence of proof of any local usage to the contrary, or of the imminent insolvency of the drawee, require the latter to accept the bill of exchange but on the delivery of the bill of lading; and where, in consequence of the refusal of the holder to deliver the bill of lading, acceptance is refused, and the bill protested, the protest will be considered as made without cause, the drawee not having been in default, and the drawer will be discharged. *Lanfear* v. *Blossman*, 1 La. Ann. R. 148.

The defendants authorized an agent to make certain purchases for their account, in these words: "We authorize you to purchase for our account, to the extent," &c., "and to ship to our order, and to forward to us the shipping documents, when your drafts for the invoice amount will meet with due honor." The agent, having purchased in conformity to his authority, drew on his principals for the amount of the invoice, and sold the bill of exchange with the bill of lading attached to it. The holders presented the bill of exchange for acceptance, but refused to deliver the bill of lading until payment of the bill of exchange. Held, that the drawees were bound to accept only on delivery of the bill of lading. *Little* v. *Blossman*, 1 La. Ann. R. 169.

The acceptance of a bill of exchange by the drawee raises the presumption that he has funds in his hands, and that he did not accept for the accommodation of the drawer. The same rule applies to ordinary orders. *Byrd* v. *Bertrand*, 2 Eng. 321.

Presentment, Demand, Notice, and Protest: Evidence and Effect thereof.

A, being the payee in an accepted bill of exchange, indorsed the same, and, on the failure of the acceptors to pay it at maturity, received the bill from the bank where it was deposited for collection, and again transferred it to B. In an action by B to recover the amount of the bill of A, it was held, that the re-issue of the bill by A was equivalent to the issue of a new bill, and that a new demand of payment on the acceptors, within a reasonable time, was necessary, in order to hold A liable therefor. *Hunt* v. *Wadleigh*, 26 Maine (13 Shep.), 271.

The insolvency of the acceptors, in such case, is not a sufficient excuse for not making the demand. *Ibid.*

And a promise by A to pay the bill to B is not binding, unless it appears that, at the time of making such promise, he knew that he had not been regularly charged; and the burden is upon B to show such knowledge. *Ibid.*

It is not necessary, in giving notice of the protest of a foreign bill of exchange, to serve a copy of the protest, with the notice of the dishonor of the bill. *Cowperthwaite* v. *Sheffield*, 1 Sandf. Sup. Ct. R. 416.

Notice of the protest of a bill may be given by an agent of the indorsees; and where such notice was given, signed with the name of a notary public in behalf of the indorsees, and it turned out that the notice was not in fact signed by the notary, but was signed in his name by one

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who was authorized by him to serve notices in his name, and who acted at the request of the agent of the indorsees to whom the protests had been sent, it was held to be a sufficient notice of protest. *Ibid.*

The indorsees of bills of exchange, who have transferred them to a bank as collateral security, have a sufficient interest in the bills to authorize them to give notice of the protest of the same to the prior parties. *Ibid.*

By the provisions of the Georgia statute of December 26, 1826, notice of the non-acceptance of a bill of exchange, drawn in Georgia, on persons residing in New York, and indorsed in Georgia, is not necessary to bind the indorser, when not payable at a chartered bank. *Hartridge* v. *Wesson*, 4 Geo. 101.

A statement in writing, describing a bill of exchange by its date, amount, and the character each party on the bill bears in relation to it, and when and where payable, with the addition that the holder looks to the estate of a particular person for payment, is, if presented to the personal representative of the estate, a sufficient presentation, without producing the original bill. *Posey* v. *Decatur Bank*, 12 Ala. 802.

Where the drawer of a bill, before its maturity, removed with his family from his plantation in A to another county, leaving his slaves in A, on his plantation, which he visited occasionally, it was held, that notice of the dishonor of the bill, it not appearing that the holder knew of the removal, sent to the post-office at A, was sufficient to fix the drawer's liability, it also not appearing that he had permanently changed his residence. *Goodwin* v. *McCoy*, 13 Ala. 271.

A notice of the dishonor and protest of a bill is *prima facie* sufficient, if it describes the bill correctly, although it does not mention the date or time of payment. *Saltmarsh* v. *Tuthill*, 13 Ala. 390.

The interpretation of such notice is for the court, and should not be referred to the jury. *Ibid.*

Where the presentment and demand of payment of a bill of exchange, payable in Louisiana, were made by a deputy of the notary, and in the protest it was so stated, it was held, in an action in Mississippi upon the bill, that the presentation and demand were sufficient under the statute of Louisiana of 1844. *Chew* v. *Read*, 11 S. & M. 182.

Where a bill of exchange fell due on the 29th of March, and was protested on that day, and the notice of protest was dated on the 26th of March, and stated that the bill was protested on *that* day, it was held, that the sufficiency of the notice was a pure question of law for the court, and that the notice was not sufficient to bind the indorser. [CLAYTON, J., dissenting.] *Routh* v. *Robertson*, 11 S. & M. 382.

The Louisiana statute of March 13, 1827, has not changed the general commercial law as to the diligence to be used in serving notices of protest. It merely provides a new mode of proof of demand and notice. *Carmena* v. *Bank of Louisiana*, 1 La. Ann. R. 369.

One who indorses a bill merely as an agent for collection, is entitled to the same time as an ordinary indorser, to notify antecedent parties of its non-payment. *Ibid.*

Where an intermediate indorser puts a notice into the post-office early

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enough for the mail of the day succeeding that on which he received it, the notice is in time. *Ibid.*

Where the indorser of a bill had directed all letters addressed to him to be sent to a particular post-office, a notice of protest put into that office, and addressed to him there, will be sufficient, though that office be not the nearest to his residence. *Ibid.*

Where, before maturity of a bill, a second indorser receives indemnity from the first indorser, which is sufficient to cover his liability, demand and notice are not necessary to charge him. *Walker* v. *Walker*, 2 Eng. 542.

Where notice has been expressly or impliedly dispensed with by the parties, no notice need be given, to fix the liability of an indorser or drawer. *Ibid.*

A subsequent promise to pay, by a party entitled to notice, will amount to a waiver of the want of demand or notice, provided the promise was made clearly and unequivocally, and with a full knowledge of the fact of a want of due diligence on the part of the holder. *Ibid.*

Where an indorser sent word to the holder of a bill that it "had been protested for non-payment and sent back, that he did not wish suit brought on it, but that he would make arrangements to pay it," it was held, that this promise was presumptive evidence of due demand and notice. *Ibid.*

Notice to the indorser of a foreign bill of exchange, that the bill, describing it, has been "protested for non-payment," and that the holder looks to him for payment thereof, is a sufficient notice of dishonor; the term "protested," when thus used, implying that payment has been demanded and refused. *Spies* v. *Newberry*, 2 Doug. 425.

LATE DECISIONS IN THE SUPREME JUDICIAL COURT OF MASSACHUSETTS.

From Cushing's Reports, Vol. I.

Banks and Banking.

An agent has no right to delegate his authority to a sub-agent, without the assent of his principal; but where, from the nature of the agency, a sub-agent must necessarily be employed, the assent of the principal is implied; as, where a draft, payable at a distant place, is left with a bank for collection, it must be presumed that it is intended to be transmitted to a sub-agent, at the place where it is payable, and not that the bank is to employ its own officers to proceed there, for the purpose of obtaining payment. *Dorchester and Milton Bank* v. *New England Bank*, 177.

The agent of the H. M. Co. at Ware, being authorized for the purpose by a vote of the corporation, made drafts on D. B. & Co. of New York, payable to the order of G. S., treasurer of the company, and one of the firm of G. S. & Co., the agents of the company in Boston, which drafts were there accepted by D., one of the drawees, who was also a member of the firm of G. S. & Co., and were then indorsed by G. S., treasurer, and by G. S. & Co., and negotiated and disposed of by them for their own benefit, under an agreement with the H. M. Co. that they would pay them at maturity: G. S. & Co. having failed before the drafts became

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due, and being unable to take them up at maturity, the drafts, when due, were proved and allowed as claims against the H. M. Co., who had also failed in the mean time, and dividends were paid thereon by the assignees of the latter: — it was held, that the assignees of the H. M. Co. were entitled to charge the amount of such drafts against G. S. & Co. in account; notwithstanding that, on some of them, the indorsement of G. S., treasurer, was made by attorney; — that some of them were paid by one of the indorsers, subsequent to G. S. & Co., without previous demand of the acceptor, and notice to such indorser; — and that some of them had been negotiated and received in payment of, or as collateral security for, illegal loans. *Shaw* v. *Stone*, 228.

A draft, by the agent of a manufacturing corporation, payable to "G. S., treasurer" thereof, is payable to him personally, though described as treasurer, and not merely as treasurer for the time being, and may be indorsed by him, as treasurer, either in person, or by attorney. *Ibid.*

A bank, by which notes and bills, payable at a distant place, are received for collection, without specific instructions, is bound to transmit or to cause the same to be transmitted, by suitable sub-agents, to some suitable bank, or other agent, at the place of payment, for that purpose; and where suitable sub-agents are thus employed, in good faith, the collecting bank is not liable for their neglect or default. *Dorchester and Milton Bank* v. *New England Bank*, 177.

The D. and M. Bank, at M., having discounted a number of drafts, payable in W., transferred the same, by a general indorsement, and without any specific instructions, to the N. E. Bank, in Boston, their general agents, for collection: the latter, having no correspondent in W., transferred the drafts, by a like general indorsement, to the C. Bank, in Boston, then and afterwards in good credit, for collection; the C. Bank transmitted the drafts to their correspondent, the Bank of the M., in W., for the same purpose: the C. Bank having subsequently failed, the N. E. Bank demanded the drafts of the B. of the M. before they became due: the latter refused to deliver the drafts, but collected them, and applied the proceeds to the payment of a balance due them from the C. Bank: whereupon the N. E. Bank commenced an action against the Bank of the M. to recover the amount: — it was held, 1st, that the N. E. Bank, having acted in good faith, and the C. Bank being a suitable agent, had authority to employ the latter to make the collection; 2d, that no proof of general usage was necessary to give the N. E. Bank such authority; and, 3d, that, as the drafts were transferred to the N. E. Bank by a general indorsement, that bank might transfer them in the same manner to the C. Bank, and were not bound to make a restricted indorsement. *Ibid.*

Promissory Notes.

A promissory note, for the payment, "ten years after date," of "seven hundred and fifty dollars, with interest semi-annually, fifty dollars of the principal to be paid annually until the whole is paid," is a contract that the interest shall be paid semi-annually, that fifty dollars of the principal shall be paid annually, and that the whole amount of the note, principal and interest, shall be paid in ten years after date. *Ewer* v. *Myrick*, 16.

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The promisee, by an agreement under seal, executed on the same day with the note, covenanted with the promisor, that "if said note should not be paid at the expiration of the said ten years," he would "give up said note" to the promisor, provided the latter should execute to him a quit-claim deed of certain land mentioned in the agreement. It was held, that this agreement (assuming that the note and agreement constituted an entire transaction, which the court did not decide) did not preclude the promisee from enforcing payment of the interest, and such instalments as should become due, before the expiration of the ten years. *Ibid.*

B. H., after the dissolution of a partnership between himself and S. W., made a negotiable promissory note, in the name of the late firm of W. and H., payable to S. W. and S. F. as partners under the firm of W. and F.; and, after a dissolution of the last-named firm, and the death of S. W., S. F., in the name of W. and F., indorsed the note to himself: — it was held, that S. F. could not maintain an action on the note, as indorsee; but that as surviving promisee he was entitled to recover, on the money counts, against B. H., either as surviving promisor, if the note had been subsequently ratified by S. W., or as sole promisor, if it had not been so ratified. *Fowle* v. *Harrington*, 146.

A promise to forbear, for six months, to sue a third person, on a just cause of action, is a valid and sufficient consideration for a promissory note. *Jennison* v. *Stafford*, 168.

In a suit, by the payee against the maker, on a promissory note, given in consideration of a promise to forbear to sue a third person for six months, the burden of proof is not on the payee, to show that he has forborne according to his promise, but on the maker, to show that he has not. *Ibid.*

Where the payee of a negotiable promissory note, for the purpose of indemnifying one who had become his surety for the payment of the fees and expenses attending the institution of proceedings in insolvency, negotiated and transferred the note to the surety, before the commencement of such proceedings, it was held, that, in the absence of fraud, the maker of the note could not set up in defence the title of the payee's assignee, and that it was immaterial whether the note was indorsed by the payee before or after his insolvency. *Fogg* v. *Willcutt*, 300.

LATE DECISIONS IN THE SUPREME COURT OF ERRORS OF CONNECTICUT.

Bills and Checks.

From Connecticut Reports, Vol. XX.

On Monday, the 1st of June, the Bridgeport Bank cashed for D. a check, drawn in the city of New York, on the Manhattan Company, payable to and indorsed by D. On Thursday, the 4th, it was sent, with a package of other papers, from Bridgeport, by the captain of the steamboat running daily from that place to New York; the steamboat leaving Bridgeport about 1 o'clock, P. M., and arriving in New York early in the evening of the same day. The Bank of New York, to which it was sent for collection, received it, and presented it for payment, on Saturday, the

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6th, when payment was refused, and the check was protested, and due notice thereof given to D. It appeared, that at the time of this transaction there was, and for years before had been, an established usage in the Bridgeport Bank, not to send packages of money, checks, &c., to New York by the mail, but by the captain of the steamboat, once a week, generally on Thursday, and not oftener, unless there was an unusual accumulation of paper, which did not at this time exist; and of this usage D. was well informed. In an action brought by the Bridgeport Bank against D., as the indorser of such check, it was held, — 1. that such usage was sufficient evidence of an agreement between the parties not to insist upon the usual rule of law regarding the transmission of checks; 2. that such usage was not inoperative, as being unreasonable, or as wanting any of the requisites of a good custom; 3. that there was no improper delay in the presentment of the check in New York, as it was not received by the Bank of New York until the 5th, and was presented the next day; 4. that in the computation of interest on the check, as against D., six per cent. only was to be allowed. [One judge dissenting on the last point.] *The Bridgeport Bank* v. *Dyer.*

It is now the settled law of this State, that a promissory note not negotiable, and not purporting on its face to be for value received, does not imply a consideration; and an action on such a note cannot be sustained, without other proof of a consideration than such as the instrument itself furnishes. *Bristol* v. *Warner, Exec.*

But a promissory note in form negotiable, though not negotiated, imports a consideration, as well between the maker and payee, as between the maker and an indorsee. *Ibid.*

Where A made and signed a writing in these words, "On demand, after my decease, I promise to pay B, or order, 850 dollars, without interest," which was delivered to B, as evidence of A's indebtedness to him; it was held, that this instrument was not of a testamentary character, to be proceeded with in the probate court, but was a promissory note, negotiable and irrevocable. *Ibid.*

Where a party, having a claim against the estate of a deceased person, by a promissory note then lost, presented such claim to the executor, as a debt due by note, describing it by its date and amount, and as payable on demand, and informing him of its loss; it was held, that this was a sufficient presentment of the claim, without the production of the note. *White, Ex'r,* v. *Brown.*

To support a claim by note against a deceased person's estate, or under the money counts, less particularity of proof is necessary than in an action on the note specially describing it. *Ibid.*

KITES. — In a speech before Lord Redesdale, Mr. Plunkett had occasion to use the phrase "kites" very frequently, as designating fraudulent bills and promissory notes. Lord Redesdale, to whom the phrase was quite new, at length interrupted him by saying, "I don't quite understand your meaning, Mr. Plunkett. In England kites are paper playthings used by boys, — in Ireland they seem to mean some monetary transaction." "There is another difference, my lord," said Plunkett; "in England the wind raises the kites; *in Ireland the kite raises the wind.*"

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BANK HOLIDAYS.

In this case the court held, that the last day of grace being a day appointed by the Governor of the State, as a day of *Thanksgiving*, did not authorize the holder to demand payment of the maker of a promissory note on the second day of grace, and to give notice of its dishonor to the indorsers.

But demand should have been made on the third day of grace, notwithstanding it was a day of *Thanksgiving* appointed by the Governor of the State. Otherwise the indorsers were discharged. This decision of the Circuit Court was affirmed upon appeal, the counsel admitting the decisions of the court below to be correct. *Bank of Tennessee* v. *James O. Potter et al.*

[This decision conflicts with the case contained in our last volume, February, 1850, page 595, in which it was held that "Bills of exchange payable in Massachusetts, where an annual Fast day is observed by statutory regulation and the proclamation of the Governor, are properly protested on the day preceding the Fast day when they fall due." — Ed. B. M.]

BANKING IN PENNSYLVANIA.

From the Philadelphia Inquirer, July, 1850.

An Act for the regulation of the Banks of the State of Pennsylvania became a law on the 16th of the present month, which contains some curious provisions. It is intended to regulate the conduct of "every banking corporation hereafter created by any special act of the General Assembly, every bank hereafter chartered, or the charter of which shall be hereafter extended or renewed." Its scope, it will therefore be seen, is quite comprehensive. Our present purpose is to invite attention to the seven closing sections. They will be found to possess more than ordinary interest, inasmuch as, if closely adhered to, they are calculated very materially to affect the currency. It will be seen that, according to the 47th section, the several banks of this Commonwealth are compelled to keep their notes respectively at par in the cities of Philadelphia and Pittsburg. Those located east of the Alleghany Mountains, at Philadelphia, and those west, at Pittsburg. The penalty is at the rate of two mills per annum on every dollar of the average amount of the circulation of such bank for the preceding year, or in other words, if the circulation should amount to $ 200,000, the penalty per annum is $ 400. Now, is it probable that such a penalty will produce the effect contemplated? Will a bank not find it much more expensive to keep its notes at par in the manner described, than to pay a few hundred dollars per annum? The provision, therefore, is likely to amount to nothing at all, except so far as it may assist the funds in the State Treasury. The 48th section is of a still more sweeping character. The object is, to prevent the circulation of small notes of every description. Thus, after the 21st day of August next, it will not be lawful for any corporation or

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individual to issue, pay out, pass, or exchange any bank-note issued by an institution not located in Pennsylvania, of a less denomination than five dollars. The penalty for every violation is $ 500 against a corporation, $ 100 against a public officer, $ 25 against a private individual, one half in each case to go to the informer, and the other half to the county. If this law, therefore, should be rigidly enforced, the small bank-notes of Delaware, New Jersey, Ohio, and New York would be at once driven out of circulation, and an immense amount of capital now actively employed would be withdrawn. It will be seen further, that by the 49th section, in addition to the civil penalties imposed, the individuals violating the law are liable to be sued for a misdemeanour, and on conviction to be fined from one dollar to one hundred. Constables are also urged to become informers, and to prefer charges. The 50th section prohibits the establishment of bank agencies, and imposes as a penalty the forfeiture of the charter of every institution so offending. With regard to the small note question, we think it likely that the law will, in a great measure, prove inoperative. The business relations of the community are so interblended with the small note currency, that it will be found extremely difficult to abolish it so speedily. Besides, Pennsylvania is surrounded by other States in which this currency is freely and constantly used, and hence it is almost impossible for citizens passing from one State to another not to receive, and thus be compelled to circulate, the class of notes alluded to. The truth is, some of the men at Harrisburg, who set themselves up as reformers, are very Quixotic in their notions, and in attempting to bring about peculiar conditions of society, they commit fearful blunders. We annex the provisions of the Act to which we have referred: —

Section 47. That it shall be obligatory on the several banks of this Commonwealth, to keep their notes respectively at par in the cities of Philadelphia and Pittsburg, to wit: those located east of the Alleghany Mountains shall keep their notes at par in the city of Philadelphia, and those located west of the Alleghany Mountains shall keep their notes at par in the city of Pittsburg; any bank failing to comply with the provisions of this section shall, for such length of time as its notes may be under par as aforesaid, forfeit and pay to the State Treasurer, for the use of the Commonwealth of Pennsylvania, at the rate of two mills per annum on every dollar of the average amount of the circulation of such bank for the preceding year; such forfeiture to be paid on or before the third Monday in November in each year; it shall be the duty of the cashiers of the several banks to state in their annual exhibits, made to the Auditor-General, the length of time that their notes have been under par as aforesaid: — *Provided*, That no forfeiture or penalty shall be incurred under the provisions of this section until after the first day of August next.

Section 48. That from and after the twenty-first day of August, one thousand eight hundred and fifty, it shall not be lawful for any person or persons, corporation or body corporate, directly or indirectly, to issue, pay out, pass, exchange, put in circulation, transfer, or cause to be issued, paid out, passed, exchanged, circulated, or transferred, any bank-note, note, bill, certificate, or any acknowledgment of indebtedness whatsoever, purporting to be a bank-note, or of the nature, character, or appearance of a bank-note, or calculated for circulation as a bank-note, issued, or purporting to be issued by any bank or incorporated company, or association of persons, not locat-

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ed in Pennsylvania, of less denomination than five dollars; every violation of the provisions of this section by any corporation or body corporate shall subject such corporation or body corporate to the payment of five hundred dollars; and any violation of the provisions of this section by any public officer holding any office or appointment of honor or profit under the constitution and laws of this State, shall subject such officer to the payment of one hundred dollars; and any violation of this section by any other person, not being a public officer, shall subject such person to the payment of twenty-five dollars, one half of which, in each case above mentioned, shall go to the informer, and the other half to the county in which the suit is brought, and may be sued for and recovered as debts of like amount are now by law recoverable in any action of debt, in the name of the Commonwealth of Pennsylvania, as well for the use of the proper county, as for the person suing.

Section 49. That in addition to the civil penalties imposed for a violation of the provisions of the last preceding section, every person who shall violate the provisions of that section shall be taken and deemed to have committed a misdemeanour, and shall, upon conviction thereof in any criminal court in this Commonwealth, be fined in any sum not less than one dollar, and not more than one hundred dollars; and the several courts of quarter sessions shall, in their charges to the grand jury, call their attention to this subject; and it shall be the duty of the several grand juries to make presentment of any person within their respective counties, who may be guilty of a violation of the provisions of the last preceding section; and it shall be the duty of the several constables and other peace officers within this Commonwealth, to make information against any person guilty of such violation, and they shall be sworn so to do: — *Provided*, That it shall not be necessary, in any civil suit or criminal prosecution under this section, and the last preceding section, to produce in evidence the charter of any bank, or articles of association of any company, not located in this State.

Section 50. Each and every bank in this Commonwealth, or any other State, is hereby prohibited from establishing, maintaining, keeping, or continuing, directly or indirectly, in the name of one or more individuals, in any manner or by any device whatever, either for its own sole benefit and profit of its officers or any of them, in whole or in part, any branch or agency for the transaction of banking business, or the issuing out of or circulation of its notes at any other place than that fixed and named in its charter for its location and the transaction of its business, without the express authority of an act of Assembly of this Commonwealth to do so; and any and every infraction of this prohibition by any bank in this Commonwealth, after the passage of this act, shall be deemed and held to be a forfeiture of the charter of any and every bank so offending or acting contrary to the provisions of this section; and the fact of any bank in this Commonwealth so offending shall be ascertained, verified, and determined in the same mode and manner as is provided by the twenty-seventh section of this act, in any case of any bank refusing or failing to pay its liabilities in gold and silver coin, and the like proceedings shall be had in such cases thereafter as is provided by this act; and during the period of continuance of any such branch or agency by any bank of this Commonwealth, such bank so offending shall, in each year of such continuance, be subject to and pay quadruple the amount of all taxes chargeable on and to be paid by the same in the whole current year.

Section 51. That the provisions contained in the twenty-third section of this act shall not be held to embrace actual business paper, *bona fide* drawn or made by any director in the regular course of his private business, and offered for discount by the holder or holders thereof.

Section 52. That it shall be the duty of the cashier of any such bank, on the first

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Monday in January in each year, to cause to be forwarded to the Auditor-General a certified list of the names of any persons having unclaimed dividends or deposits in such bank, which shall have remained unclaimed for three years, or the amount of which has neither been increased nor diminished for the period of three years then next preceding.

Section 53. The legislature reserves the power to alter, revoke, or annul the charters of all such banks, whenever, in their opinion, it may be necessary for the public welfare; in such manner, however, that no injustice be done to the corporators.

J. S. M'CALMONT, Speaker of the House of Representatives.
V. BEST, Speaker of the Senate.

APPROVED, — The 16th day of April, 1850. WM. F. JOHNSTON.

BANKS OF NEW YORK.

A LIST OF THE SEVERAL BANKS OF THE STATE OF NEW YORK, WITH THE NAMES AND RESIDENCES OF THEIR RESPECTIVE AGENTS, JULY 1, 1850, — EXCEPTING THE BANKS IN THE CITIES OF NEW YORK, BROOKLYN, AND ALBANY.

Those with a * are Individual Banks.

Name of the Bank.	*Location and P. O.*	*Agent and Residence.*	*Capital.*
*Agricultural Bank,	Herkimer,	Albany City Bank, Albany,	$ 100,800
*Amenia Bank,	Leedsville,	Washburn & Co., do.	10,000
*American Bank,	Mayville,	Washburn & Co., do.	100
*Ballston Spa Bank,	Ballston Spa,	Albany City Bank, do.	125,000
*Bank of Albion,	Albion,	Albany City Bank, do.	75,905
*Bank of Attica,	Buffalo,	New York State Bank, do.	160,000
*Bank of Auburn,	Auburn,	New York State Bank, do.	200,000
*Bank of Bainbridge,	Penn Yan,	Washburn & Co., do.	
*Bank of Cayuga Lake,	Ithaca,	Washburn & Co., do.	
*Bank of Central New York,	Utica,	Albany Exchange Bank, do.	110,200
Bank of Chenango,	Norwich,	New York State Bank, do.	120,000
*Bank of Corning,	Corning,	Mechanics & Farmers', do.	104,500
*Bank of Dansville,	Dansville,	New York State Bank, do.	150,250
*Bank of the Empire State,	Fairport,	Mechanics & Farmers', do.	9,261
*Bank of Fishkill,	Fishkill,	North River Bank, New York,	120,000
Bank of Genesee,	Batavia,	Bank of Albany, Albany,	100,000
Bank of Geneva,	Geneva,	Henry Dwight, Jr., New York,	400,000
*Bank of Ithaca,	Ithaca,	American Exchange B., do.	
*Bank of Kinderhook,	Kinderhook,	American Exchange B., do.	125,000
*Bank of Lake Erie,	Buffalo,	N. Y. State Bank, Albany,	53,000
Bank of Lansingburgh,	Lansingburgh,	Pepoon & Hoffman, N. Y.,	120,000
*Bank of Lowville,	Lowville,	Albany Exchange B., Albany,	102,450
*Bank of Monroe,	Rochester,	New York State Bank, do.	
Bank of Newburgh,	Newburgh,	Merchants' Exchange, N. Y.,	140,000
*Bank of New Rochelle,	Bolivar,	Taylor & Brothers, do.	3,000
Bank of Orange County,	Goshen,	S. Van Duzer, do.	105,660
Bank of Orleans,	Albion,	Mechanics & Farmers', Albany,	200,000
Bank of Owego,	Owego,	Albany Exchange Bank, do.	200,000
*Bank of Pawling,	Pawling,	Leather Manufacturers', N. Y.,	125,000
Bank of Poughkeepsie,	Poughkeepsie,	Merchants' Exchange B., do.	100,000
Bank of Rome,	Rome,	New York State Bank, Albany,	100,000

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Name of the Bank.	*Location and P. O.*	*Agent and Residence.*	*Capital.*
*Bank of Rondout,	Rondout,	North River Bank, New York,	100,000
Bank of Salina,	Salina,	Commercial Bank, Albany,	150,000
*Bank of Saratoga Springs,	Saratoga Springs,	New York State Bank, do.	60,000
*Bank of Silver Creek,	Silver Creek,	Albany City Bank, do.	92,350
*Bank of Syracuse,	Syracuse,	New York State Bank, do.	200,000
Bank of Troy,	Troy,	Bank of the State of N.Y., N.Y.,	440,000
*Bank of Utica,	Utica,	Albany City Bank, Albany,	600,000
*Branch Bank of Utica,	Canandaigua,	Albany City Bank, do.	
*Bank of Vernon,	Vernon Village,	New York State Bank, do.	100,000
*Bank of Watertown,	Watertown,	Gilbert, Cobb, & Johnson, N. Y.,	53,828
*Bank of Waterville,	Waterville,	New York State Bank, Albany,	100,000
*Bank of Whitestown,	Whitestown,	Commercial Bank, do.	120,000
*Bank of Westfield,	Westfield,	Drew, Robinson, & Co., N. Y.	20,000
Bank of Whitehall,	Whitehall,	New York State Bank, Albany,	100,000
*Black River Bank,	Watertown,	New York State Bank, do.	75,000
Broome County Bank,	Binghampton,	Mechanics & Farmers', do.	100,000
Camden Bank,	Camden,	Mechanics & Farmers', do.	120,000
*Canal Bank of Lockport,	Lockport,	New York State Bank, Albany.	
Catskill Bank,	Catskill,	American Exchange B., N. Y.,	125,000
Cayuga County Bank,	Auburn,	New York State Bank, Albany,	250,000
Central Bank,	Cherry Valley,	Mechanics & Farmers', do.	120,000
*Champlain Bank,	Ellenburgh,	George Jones, do.	6,000
Chautauque County Bank,	Jamestown,	Bank of Albany, do.	100,000
Chemung Canal Bank,	Elmira,	North River Bank, New York,	200,000
*Chester Bank,	Chester,	S. Van Duzer & Son, N. Y.,	100,400
*Commercial B. of Alleghany Co.,	Friendship,	Charles Colgate & Co , do.	5,000
*Commercial Bank of Lockport,	Lockport,	Washburn & Co., Albany,	50,000
*Commercial Bank of Rochester,	Rochester,	New York State Bank, do.	330,000
*Commercial Bank of Troy,	Troy,	American Exchange B., N. Y.,	200,000
*Commercial Bank of Whitehall,	Whitehall,	New York State Bank, Albany,	108,200
*Cortland County Bank,	Ashford,	Washburn & Co., do.	20,000
*Cuyler's Bank,	Palmyra,	Albany City Bank, do.	20,000
*Delaware Bank,	Delhi,	American Exchange B., N. Y.,	140,000
*Drovers' B. of St. Lawrence Co.,	Ogdensburg,	Washburn & Co., Albany,	10,000
*Duchess County Bank,	Amenia,	Washburn & Co., do.	50,000
Essex County Bank,	Keeseville,	New York State Bank, do.	100,000
*Exchange Bank of Buffalo,	Buffalo,	Albany City Bank, do.	24,000
*Exchange Bank of Genesee,	Batavia,	Albany City Bank, do.	100,075
*Exchange Bank of Lockport,	Lockport,	New York State Bank, do.	60,000
*Farmers' Bank of Amsterdam,	Amsterdam,	Albany City Bank, do.	114,000
*Farmers' Bank of Hamilton Co.,	Arietta,	C. & E. W. Fleming, N. Y.	
*Farmers' Bank of Hudson,	Hudson,	Mechanics' Bank, do.	136,050
*Farmers' Bank of Mina,	Mina,	Washburn & Co., Albany,	5,000
Farmers' Bank,	Troy,	Merchants' Bank, New York,	278,000
*Farmers and Drovers' Bank,	Somers,	Merchants' Exchange B., do.	111,150
Farmers and Manufacturers' B.,	Poughkeepsie,	Phœnix Bank, do.	300,000
*Farmers and Mechanics' Bank of	Batavia,	New York State Bank, Albany,	51,450
*Farmers and Mechanics' Bank of	Ogdensburg.	Albany Exchange Bank, do.	
*Farmers and Mechanics' Bank of	Rochester,	Albany City Bank, do.	30,000
*Fort Plain Bank,	Fort Plain,	New York State Bank, do.	100,000
*Fort Stanwix Bank,	Rome,	New York State Bank, do.	110,000
*Franklin B. of Chautauque Co.,	French Creek,	Washburn & Co., do.	5,000
*Franklin County Bank,	Malone,	Groesbeck Brothers, do.	
*Genesee County Bank,	Le Roy,	Albany City Bank, do.	100,000

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Name of the Bank.	*Location and P. O.*	*Agent and Residence.*	*Capital.*
*Hartford Bank,	Hartford,	Washburn & Co., Albany,	$ 15,000
*Henry Keep's Bank,	Watertown,	Albany Exchange Bank, do.	20,000
Herkimer County Bank,	Rockton,	Albany City Bank, do.	200,000
Highland Bank,	Newburgh,	Phœnix Bank, New York,	200,000
*H. J. Miner's Bank of Utica,	Fredonia,	Drew, Robinson, & Co., do.	50,000
*Hollister's Bank of Buffalo,	Buffalo,	Albany Exchange B., Albany,	100,000
Hudson River Bank,	Hudson,	Leather Manuf. Bank, N. Y.,	150,000
*Hungerford's Bank,	Adams,	American Exchange B., do.	10,000
Jefferson County Bank,	Watertown,	Albany City Bank, Albany,	200,000
*James Bank,	Jamesville,	Groesbeck Brothers, do.	80,113
Kingston Bank,	Kingston,	Bank of the State of New York,	200,000
*Kirkland Bank,	Clinton,	Albany City Bank, Albany,	50,000
*Knickerbocker Bank,	Genoa,	Washburn & Co., do.	10,000
Lewis County Bank,	Martinsburgh,	Albany Exchange Bank, do.	100,000
Livingston County Bank,	Genesee,	New York State Bank, do.	100,000
*Lockport B. & Trust Company,	Lockport,	Mechanics & Farmers', do.	117,200
*Luther Wright's Bank,	Oswego,	New York State Bank, do.	160,000
*McIntyre Bank,	Adirondac,	New York State Bank, do.	25,000
Madison County Bank,	Cazenovia,	New York State Bank, do.	100,000
*Merchants' B. of Canandaigua,	Canandaigua,	Groesbeck Brothers, do.	9,900
*Merchants' B. of Chautauque Co.,	Union Ellery,	Washburn & Co., do.	10,000
*Merchants' B. of Erie County,	Buffalo,	Washburn & Co., do.	
*Merchants' B. in Poughkeepsie,	Poughkeepsie,	Phœnix Bank, New York,	150,000
*Merchants and Farmers' Bank of Ithaca,		Albany Exchange B., Albany,	50,000
*Merchants and Farmers' Bank,	Carmel,	Kelly & Weeks, New York,	85,600
Merchants and Mechanics' Bank,	Troy,	Bank of the State of New York,	300,000
*Middletown Bank,	S. Middletown,	S. Van Duzer, do.	100,000
Mohawk Bank,	Schenectady,	Mechanics & Farmers', Albany,	165,000
*Mohawk Valley Bank,	Mohawk,	American Exchange B., N. Y.,	125,000
Montgomery County Bank,	Johnstown,	Albany City Bank, Albany,	100,000
*New York Security Bank,	Huntsville, West Day P. O.,	Washburn & Co, do.	5,000
*New York Stock Bank,	Durham,	Washburn & Co., do.	20,000
*Northern Bank of New York,	Madrid,	Washburn & Co., do.	10,000
*Northern Exchange Bank,	Brasher Falls,	Washburn & Co., do.	5,000
*Northern Canal Bank,	North Granville,	Wilson Defendorf, New York,	91,500
Ogdensburg Bank,	Ogdensburg,	Albany City Bank, Albany,	100,000
*Oliver Lee & Co.'s Bank,	Buffalo,	Albany City Bank, do.	150,000
Oneida Bank,	Utica,	Albany City Bank, do.	400,000
Onondaga County Bank,	Syracuse,	New York State Bank, do.	150,000
Ontario Bank,	Canandaigua,	Albany City Bank, do.	200,000
Ontario Branch Bank,	Utica,	Albany City Bank, do.	300,000
Otsego County Bank,	Cooperstown,	Mechanics & Farmers', do.	100,000
*Oswego County Bank,	Hinmanville,	Washburn & Co., do.	15,000
*Palmyra Bank,	Newark,	Albany City Bank, do.	20,000
*Patchin Bank,	Buffalo,	New York State Bank, do.	100,000
*Pine Plains Bank,	Pine Plains,	Pepoon & Hoffman, N. Y.,	100,000
*Powell Bank,	Newburgh,	American Exchange B., do.	20,000
*Pratt Bank,	Buffalo,	Washburn & Co., Albany,	113,092
*Prattsville Bank,	Prattsville,	American Exchange B., N. Y.,	100,000
*Putnam County Bank,	Farmers Mills,	Washburn & Co., Albany,	318,640
*Putnam Valley Bank,	Putnam Valley,	Washburn & Co., do.	51,000
*Rochester Bank,	Rochester,	Mechanics & Farmers', do.	100,000
Rochester City Bank,	Rochester,	Albany City Bank, do.	400,000

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Name of the Bank.	*Location and P. O.*	*Agent and Residence.*	*Capital.*
Sacket's Harbor Bank, .	Sacket's Harbor,	N. York State Bank, Albany,	$ 200,000
Saratoga County Bank, . .	Waterford, .	Pepoon & Hoffman, N. Y.,	100,000
Schenectady Bank, . .	Schenectady, .	Commercial Bank of Albany,	150,000
Seneca County Bank, . .	Waterloo, .	Albany City Bank, do.	200,000
*State Bank at Saugerties, .	Saugerties, .	Washburn & Co., do.	10,000
Steuben County Bank, . .	Bath, . .	Leather Manuf. Bank, N. Y.,	150,000
*Suffolk County Bank, . .	Sag Harbor, .	John Thompson, do.	20,000
*Syracuse City Bank, . .	Syracuse, .	Albany City Bank, Albany,	110,000
Tanners' Bank, . . .	Cattskill, .	American Exchange B., N. Y.,	100,000
*The City Bank of Oswego, .	Oswego, .	Albany Exchange Bank, Albany,	120,000
Tompkins County Bank, .	Ithaca, . .	Albany City Bank, do.	250,000
Troy City Bank, . . .	Troy, . .	Union Bank, . New York,	300,000
Ulster County Bank, . .	Kingston, .	Merchants' Exchange B., do.	100,000
*Unadilla Bank, . . .	Unadilla, .	Washburn & Co., Albany,	150,500
*Utica City Bank, . . .	Utica, . .	New York State Bank, do.	200,000
*Village Bank, ...	Randolph, .	Palmer & Co., New York,	5,000
*Walter Joy's Bank, . .	Buffalo, . .	Mechanics & Farmers', Albany.	
*Washington County Bank, .	Union Village, Greenwich P. O.,	New York State Bank, do.	102,600
*Warren County Bank, . .	Johnsburgh,	Washburn & Co., . do.	
*Watertown Bank & Loan Co.,	Watertown,	Albany City Bank, . do.	50,000
Westchester County Bank,	Peekskill, .	Merchants' Exchange B., N. Y.,	200,000
*Western Bank, Washington Co.,	Cambridge, .	Washburn & Co., Albany.	
*White Plains Bank, . .	Naples, .	Thomas Adams, New York,	5,000
*White's Bank of Buffalo, .	Buffalo, . .	New York State Bank, Albany,	60,000
*Wooster Sherman's Bank. .	Watertown,	American Exchange B., N. Y.,	41,000
Yates County Bank, . .	Penn Yan, .	Mechanics & Farmers', Albany,	100,000

A Bankrupt Nation.—The debts of the Spanish nation to the people of this country exceed seventy millions of money; in other words, the amount would, in case of its liquidation, suffice to supply the British Exchequer for a year and a half, to satisfy the public creditor, and to relieve every individual in the kingdom during 18 months from every species of taxation whatever The interest upon this sum, if duly paid, would increase the general means of the country by some £3,000,000 sterling, and would operate like the opening of some new source of wealth. These enormous accumulations have been accruing through a quarter of a century, during which period the bond-holders have organized all their means of redress, have been countenanced unofficially by their own government, and have been seconded by the coöperation of fellow-creditors and the sympathy of Europe. The result of all these influences appeared the other day in a proposal to the bond-holders from the Spanish Minister of Finance touching their pecuniary claims on the government which he represented.

In this ingenious project, M. Bravo Murillo suggested, that, for each £100 of principal, the creditor should accept the sum of £33 6*s.* 8*d.*, two thirds of his original property being thus thrown to the winds; for each £50 of over-due interest he offered £10, and for the "passive" stock he tendered a commutation of £12. About one fifth, therefore, of the money to which the bond-holder was justly entitled, was proposed to be reserved to him by this liberal scheme. The statement, however, is by no means yet complete. The several tenders above mentioned were not made in the shape of coin, or any medium realizable at par. Had such a phenomenon occurred, it is impossible to say what the effect might not have been on the minds of the dazzled expectants, but Señor Murillo's £33 3*s.* 8*d.* was tangible only in the form of Madrid three per cents, and may be described, therefore, according to the market value of these desirable securities, as £10 English; the £10 offered for the £50 of interest being in like manner reducible to the sum of £3, in marketable money. This arrangement the Spanish Minister announced, in diplomatic language, "as the best he could do." — *London Times.*

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BANK STATISTICS.

BANK OF KENTUCKY AND SEVEN BRANCHES.

LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.
Capital Stock,	$ 3,700,000	$ 3,700,000	$ 3,700,000	$ 3,700,000
Over-issue by Schuylkill Bank,	470,300	52,100	. . .	. . .
Circulation,	2,586,672	2,781,706	2,453,002	2,618,178
Deposits,	740,984	671,965	791,645	840,973
Bank Balances,	392,814	344,144	283,907	565,580
Fund reserved by Charter,	100,000	100,000	100,000	74,000
Schuylkill Bank Fund,	55,137	. . .	600,000	489,000
Contingent Fund,	139,480	89,785	114,826	163,803
Due Treasurer of State,	53,181	95,991	49,674	159,120
Dividends Unpaid,	105,256	93,802	154,070	191,786
Total,	$ 8,343,824	$ 7,929,493	$ 8,247,124	$ 8,802,440

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.
Notes Discounted,	$ 3,093,840	$ 2,642,215	$ 2,645,531	$ 2,533,061
Bills of Exchange,	1,850,222	2,132,721	2,137,700	2,355,137
Suspended Debt,	167,429	95,801	107,625	94,164
Real Estate,	252,205	211,038	197,382	194,777
Kentucky State Bonds,	250,000	250,000	250,000	250,000
Louisville City Bonds,	200,000	200,000	200,000	193,697
Bank Balances,	445,692	560,415	605,448	1,152,381
Due from Corporations,	19,440	21,710	15,543	10,654
Deficiency from Over-issue,	470,300	52,100	. . .	. . .
Gold and Silver,	1,275,398	1,371,398	1,241,063	1,198,472
Notes of other Banks,	319,388	345,373	334,761	381,027
Miscellaneous,	. . .	46,722	512,070	439,070
Total Resources,	$ 8,343,824	$ 7,929,493	$ 8,247,124	$ 8,802,440

NORTHERN BANK OF KENTUCKY AND FOUR BRANCHES.

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.
Notes Discounted,	$ 1,849,698	$ 1,785,302	$ 1,761,785	$ 1,707,240
Bills of Exchange,	2,007,287	2,156,410	1,905,988	2,233,450
Suspended Debt,	123,268	136,910	91,564	82,100
Bank Balances,	928,281	1,111,784	822,271	665,103
Real Estate,	179,865	123,980	117,668	125,831
Kentucky State Bonds,	5,000	5,000	5,000	5,000
Lexington City Bonds,	35,000	28,000	22,400	16,000
Gold and Silver,	909,704	1,038,413	918,537	1,016,888
Notes of other Banks,	287,820	340,760	465,834	202,736
Miscellaneous,	8,792	8,850	530	1,213
Total Resources,	$ 6,334,715	$ 6,735,409	$ 6,111,577	$ 6,055,561

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LIABILITIES.	*Jan.*, 1847.	*Jan.*, 1848.	*July*, 1849.	*July*, 1850.
Capital Stock,	$ 2,237,600	$ 2,238,900	$ 2,250,000	$ 2,250,000
Circulation,	2,453,532	2,576,780	2,432,761	2,371,795
Individual Deposits,	674,503	742,806	755,954	697,408
Bank Balances,	669,327	827,153	274,143	308,420
Profit and Loss,	267,058	334,542	361,438	411,878
Miscellaneous,	32,695	15,228	37,281	16,060
Total Liabilities,	$ 6,334,715	$ 6,735,409	$ 6,111,577	$ 6,055,561

Dividend, July, 1850, seven and a half per cent., leaving a surplus of $ 242,650.

BANK OF LOUISVILLE AND TWO BRANCHES.

LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July* 1, 1850.
Capital Stock,	$ 1,032,100	$ 1,080,000	$ 1,080,000	$ 1,080,000
Circulation,	1,024,227	1,126,328	983,390	1,154,600
Deposits,	213,783	230,898	199,460	290,494
Bank Balances,	109,517	132,938	222,362	264,083
Dividend Unpaid,	34,401	3,568	2,775	2,654
Profit and Loss,	77,230	158,166	162,934	180,425
Total Liabilities,	$ 2,541,253	$ 2,731,898	$ 2,650,921	$ 2,972,256

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July* 1, 1850.
Notes Discounted,	$ 866,433	$ 643,060	$ 608,831	$ 692,955
Bills of Exchange,	811,570	1,136,262	893,521	981,455
Louisville City Bonds,	80,000	75,000	75,000	65,000
Bank Balances,	146,772	154,410	295,578	271,414
Suspended Debt,	91,408	47,962	46,080	41,920
Real Estate,	111,492	89,271	99,641	94,016
Specie on Hand,	351,094	510,341	527,394	647,868
Bank Notes,	82,489	70,592	104,876	160,928
Railroad Stocks, &c.,	. . .	. . .	. . .	16,700
Total Resources,	$ 2,541,258	$ 2,731,898	$ 2,650,921	$ 2,972,256

Dividend, July, 1850, four per cent., leaving a surplus of $ 137,225.

BANK OF THE STATE OF MISSOURI AND FIVE BRANCHES.

RESOURCES.	*Jan.* 1, 1846.	*Jan.* 1, 1848.	*Jan.* 1, 1849.	*July* 1, 1850.
Bills Discounted,	$ 1,433,038	$ 1,775,886	$ 1,816,180	$ 1,869,690
Exchanges Matured,	544,675	136,245	474,380	498,710
Exchanges Maturing,	733,894	511,168	590,095	509,633
Due by the State,	76,844	110,572	123,538	145,506
Real Estate,	136,016	122,574	125,850	131,612
Suspended Debt,	170,046	164,218	155,458	162,330
Funds abstracted from the Specie Teller's Vault,	. . .	. . .	. . .	*120,961
Expense Account,	14,445	15,451	15,426	18,562
Bank Balances,	47,900	20,520	53,905	59,010
Bank Notes,	185,736	47,040	36,560	81,280
Illinois Bank Certificates,	208,313	206,153	191,533	182,498
Coin on Hand,	1,453,614	2,314,716	2,427,688	1,452,887
Total Resources,	$ 5,004,521	$ 5,424,543	$ 6,010,613	$ 5,232,680

*Gold abstracted from sixteen boxes, between the 1st July and the 15th August, 1849, and not yet traced. — It will be perceived that the Bank's circulation is double the amount of capital. This is owing to the peculiar circumstances of the institution; there being none others permitted in the State. and it has the benefit of circulation in Illinois, Arkansas, Iowa, &c., in addition to the whole State of Missouri. The Bank is well provided with coin and with Eastern exchange.

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LIABILITIES.	*Jan.* 1, 1846.	*Jan.* 1, 1848.	*Jan.* 1, 1849.	*July* 1, 1850.
Capital owned by the State,	$ 954,205	$ 954,205	$ 954,205	$ 954,205
Capital owned by Individuals,	246,377	250,511	253,962	254,546
Individual Deposits,	1,296,428	1,364,650	1,735,410	989,768
Circulation,	2,195,840	2,404,160	2,569,950	2,396,500
Bank Balances,	37,858	138,073	170,695	193,421
Interest and Exchange,	176,612	196,870	186,208	273,590
Contingent Fund,	79,978	98,850	122,960	147,826
Suspense Account,	17,223	17,223	17,223	22,824
Total Liabilities,	$ 5,004,521	$ 5,424,543	$ 6,010,613	$ 5,232,680

PLANTERS' BANK OF TENNESSEE.

LIABILITIES.	*July*, 1846.	*July*, 1847.	*July*, 1848.	*July* 1, 1850.
Capital,	$1,850,400	$ 1,766,600	$ 1,741,400	$ 1,549,600
Circulation,	1,557,544	1,673,733	756,402	1,610,505
Individual Deposits,	464,191	318,612	292,931	496,023
Dividends Unpaid,	8,662	10,130	5,737	32,120
Due Banks,	73,708	119,351	71,722	19,260
Miscellaneous,	. . .	7,422	. . .	16,955
Total Liabilities,	$ 3,954,505	$ 3,895,848	$ 2,868,192	$ 3,724,462

RESOURCES.	*July*, 1846.	*July*, 1847.	*July*, 1848.	*July* 1, 1850.
Notes Discounted,	$ 1,241,094	$ 1,374,625	$ 1,179,948	$ 1,317,943
Bills of Exchange,	723,447	780,610	562,933	727,898
Suspended Debt,	228,749	306,906	294,864	309,656
Real Estate,	325,476	188,050	196,092	177,982
State Bonds,	98,750	78,750	67,750	70,953
Insurance Stocks,	5,400	5,400	5,400	6,650
Bank Balances,	612,194	560,595	153,701	486,820
Bank Notes,	81,727	84,036	50,079	113,570
Coin on Hand,	482,932	516,876	317,169	512,990
Miscellaneous,	154,736	. . .	40,256	. . .
Total Resources,	$ 3,954,505	$ 3,895,848	$ 2,868,192	$ 3,724,462

BANK OF TENNESSEE.

RESOURCES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July* 1, 1850.
Discounted Notes,	$ 1,930,994	$ 1,554,976	$ 1,587,237	$ 1,657,990
Bills of Exchange,	685,508	1,273,874	598,588	733,833
Suspended Debt,	670,290	343,325	888,300	723,570
State Bonds,	274,750	266,746	333,895	415,890
Due by State,	797,015	125,000	29,750	. . .
Real Estate,	206,267	105,441	230,544	228,497
Bank Balances,	406,541	159,840	475,762	557,662
Bank Notes,	171,995	159,412	148,051	397,467
Specie on Hand,	709,672	552,000	528,894	687,910
Miscellaneous,	236,964	969,091	1,036	29,730
Interest on State Bonds,	. . .	. . .	1,349,380	1,473,342
Bonds, Stocks, &c.,	. . .	. . .	370,267	361,192
Total Resources,	$ 6,089,996	$ 5,509,705	$ 6,541,704	$ 7,267,083

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LIABILITIES.	*Jan.*, 1846.	*Jan.*, 1848.	*July*, 1849.	*July* 1, 1850.
Capital Stock, . . .	$ 3,192.715	$ 3,226,976	$ 3,199,613	$ 3,193,940
Individual Deposits, . .	325,020	257,252	382,070	438,916
Public Deposits, . . .	178,972	382,321	376,717	407,092
Bank Balances, . . .	223,848	11,832	44,820	. . .
Circulation, ...	1,293,247	1,532,324	1,327,700	1,845,933
Miscellaneous, . . .	876,194	99,000	1,210,784	1,331,202
Total Liabilities, . .	$ 6,089,996	$ 5,509,705	$ 6,541,704	$ 7,267,083

BANK OF CHARLESTON.

Annual Report, submitted by the President, Arthur G. Rose, Esq., at a Meeting of the Stockholders, Wednesday, July 3, 1850.

Gentlemen, — In conformity with the requisitions of the charter, the President and Directors of the Bank of Charleston, S. C., have the pleasure to submit to the stockholders their usual annual statement of the affairs of the institution, showing the result of its business operations during the past year.

These statements consist of, —

1st. The Profit and Loss Account, and Contingent Fund Account.

2d. General Statement of the Bank on 29th June, 1850.

3d. Monthly Statement of Liabilities and Resources.

4th. Suspended Debt Account.

5th. The Cash Committee's Report.

All which will be found annexed in their respective order.

The net profits of the year, after deducting current expenses, and other charges, will be found, on reference to the Profit and Loss Account, to amount to $ 275,663.61. From this amount two semiannual dividends of four per cent. each have been declared, amounting to $ 252,864, leaving a surplus of $ 22,799.61 ; which sum has been carried to the credit of the Contingent Fund Account.

The business of the year, while it has yielded a profitable return, presents the gratifying result that the Bank, in all its various and multiplied transactions, has not sustained a single loss. In the discount department, every note falling due has either been paid at maturity, or settled promptly afterwards. And in the business of foreign and domestic exchanges, every bill has met due honor.

Nothing, therefore, connected with the transactions of the past, is at this time remaining in doubt or suspense. . . . . .

The circulation of our bank-notes has been greater in amount, the past year, than heretofore. The prosperous condition of the country rendered the issuing of them both safe and profitable. During the active business season, the amount put out exceeded three millions of dollars. These notes entered largely into the general currency throughout the South and West, and their distribution has in consequence become so widely extended, that their return has been very gradual, and much

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less rapid than could have been anticipated. The amount still circulating is $ 1,945,000.

It will be seen, from the following brief summary, what has been the nature and extent of the various operations of the Bank in its current business for the year.

Amount of bills discounted,	$ 11,089,360
Amount of domestic exchange purchased,	12,242,247
Amount of sterling exchange purchased,	2,616,460
Amount of French exchange purchased,	657,511
Total,	$ 26,605,578

While the whole amount of exchange sold is as follows: —

In checks on the North,	$ 6,770,518
In bills on England,	1,796,929
In bills on France,	388,817
Total,	$ 8,956,264

It will be seen that the amount of the suspended debt has been considerably reduced within the year, by the payments received on account of it. The whole amount proper, to the debit of this account, at the present time is $ 57,104.71, as set forth in the report.

The cash assets of the Bank have been carefully examined, at stated periods, several times during the year, by the respective committees appointed for that purpose, — the last of which was on the 25th of June.

The stock of the Bank is held at present by 1,092 shareholders, and s distributed as follows: —

Held by individuals in their own right,	$ 1,727,610
Widows, orphans, trustees, and guardians,	1,019,040
Banks, Insurance and Trust Companies, a part no doubt on pledge,	414,150
A total of	$ 3,160,800

The accompanying statements will enable the stockholders to obtain a correct view of the business operations of the Bank, — the result of which, we trust, will prove satisfactory. Should, however, any further information be required, it will be readily afforded.

Since the last meeting of the stockholders, we have to regret the resignation of our late excellent President, Mr. Henry W. Conner, whose efficient services in that office have contributed so much to promote the interests and present prosperity of the institution. It is with great pleasure, however, we state, that Mr. Conner still remains a member of the Board, and that the institution will continue to enjoy the advantage of his valuable counsel and experience.

We have likewise to announce the resignation of Mr. Joseph Leland as a Director. The Board will probably not find it necessary to fill the vacancy thus occasioned in the Direction, before the annual election in November next.

A. G. ROSE, *President.*

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CONDITION OF THE SEVERAL BANKS IN CHARLESTON, S. C., (*Bank of Charleston excepted,*) JUNE 30, 1850.

LIABILITIES.	*Bank of the State, S. C.*	*Branch Bank at Columbia.*	*Branch Bank at Camden.*	*S. Western R. R. Bank.*	*Planters and Mechanics' Bank.*	*Union Bank.*	*State Bank of S. C.*	*Bank of South Carolina.*	*Total.*
Capital Stock,	$ 1,122,460	. . .	. . .	$ 869,425	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 5,991,885.73
Bills in Circulation,	1,091,899	. . .	. . .	446,980	502,405	133,985	438,880	183,572	2,797,722.00
Net Profits on hand,	149,328	$ 34,780	$ 15,124	47,366	94,347	7,907	45,979	42,079	436,914.43
Due to Banks in this State,	123,358	* 925,281	*446,493	10,500	46,054	. . .	. . .	26,540	1,578,228.12
Due to Banks in other States,	. . .	. . .	. . .	25,668	71,877	7,262	. . .	350	105,159 05
All other Moneys due,	. . .	. . .	. . .	23,535	. . .	. . .	. . .	. . .	23,535 00
State Treasury,	2,322,733	. . .	. . .	. . .	. . .	. . .	. . .	. . .	2,322,733.68
Deposits,	620,996	124,395	32,268	214,910	264,744	294,242	356,716	398,526	2,306,800.17
Total Liabilities,	$ 5,430,777	$ 1,084,456	$ 493,886	$ 1,638,385	$ 1,979,428	$ 1,445,398	$ 1,841,576	$ 1,651,068	$ 15,562,978.18
RESOURCES.									
Specie on hand,	$ 249,239	$ 5,350	$ 1,874	$ 145,934	$ 257,004	$ 104,811	$ 214,576	$ 81,786	$ 1,060,579.24
Real Estate,	109,100	. . .	849	25,000	20,000	40,000	47,927	40,000	282,877.03
Bills of Banks in this State,	102,350	101,197	48,480	58,005	32,930	85,441	35,478	50,123	514,004.77
Bills of Banks in other States,	15,000	. . .	395	. . .	4,897	12,885	. . .	. . .	33,177.00
Due from Banks in this State,	117,958	733	. . .	213,632	5,140	15,904	. . .	2,559	355,929.24
Due from Banks in other States,	25,740	12,632	188	. . .	287,784	72,822	. . .	89,184	488,353.94
Loans on Personal Security,	1,359,828	870,400	360,571	179,106	690,510	609,008	675,833	609,499	5,354,758.22
Loans on its own Stock,	. . .	. . .	. . .	26,076	41,950	47,514	37,514	55,819	208,875.27
Loans on other Stock,	90,711	. . .	. . .	32,569	70,716	110,681	48,805	65,479	418,963.79
Domestic Exchange,	95,507	12,660	4,094	177,741	268,746	207,366	317,310	418,482	1,501,911.50
Foreign Exchange,	309,866	. . .	. . .	31,713	. . .	. . .	72,153	. . .	413,732.38
Bonds,	468,655	26,564	28,403	382,766	73,979	33,360	53,131	94,038	1,160,840.13
Money invested in Stock,	346,385	. . .	. . .	157,547	150,263	66,314	300,546	101,466	1,122,524 07
Suspended Debt,	182,437	35,566	49,028	90,062	13,595	37,287	38,299	42,628	488,906.17
Miscellaneous,	1,957,995	19,351	. . .	118,289	61,909	. . .	. . .	. . .	2,157,545 43
Total Resources,	$ 5,430,777	$ 1,084,456	$ 493,886	$ 1,638,385	$ 1,979,428	$ 1,445,398	$ 1,841,576	$ 1,651,068	$ 15,562,978.18

* This is due the mother Bank at Charleston, for capital, &c.

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BANK OF CHARLESTON.

Comparative Statements of the Bank of Charleston, 1846 - 1850.

LIABILITIES.	*June*, 1846.	*June*, 1848.	*June*, 1849.	*June* 29, 1850.
Capital Stock,	$ 3,160,800	$ 3,160,800	$ 3,160,800	$ 3,160,800
Circulation,	1,061,114	753,510	1,594,850	1,945,064
Individual Deposits,	536,852	336,318	413,930	505,436
Sterling Bills sold,	. . .	1,504,288	. . .	. . .
Due Distant Banks,	391,230	321,547	479,708	662,197
Due City Banks,	14,833	1,724	3,526	93,455
Due to Agencies,	432,030	115,495	1,190,756	. . .
Public Deposits,	2,368	. . .	2,370	2,374
Dividends Unpaid,	9,047	8,279	10,007	12,330
Undivided Profits,	431,676	678.326	756,965	431,535
Total Liabilities,	$ 6,039,950	$ 6,880,287	$ 7,612,912	$ 6,813,191

RESOURCES.	*June*, 1846.	*June*, 1848.	*June*, 1849.	*June* 29, 1850.
Bills Discounted,	$ 1,741,543	$ 1,603,326	$ 1,252,440	$ 1,242,535
Domestic Bills of Exchange,	1,046,300	788,475	1,062,770	1,810,937
Sterling Bills,	531,102	2,034,800	2,356,856	731,984
French Exchange,	319,728	56,107	316,348	268,694
Bonds and Mortgages,	460,400	382,353	251,078	200,880
Suspended Debt,	156,817	187,500	104,337	57,104
Bank Balances,	344,266	378,201	240,952	856,970
Due by Agencies,	205,322	197,224	399,843	237,937
Foreign Premiums,	51,878	52,180	94,968	. . .
Bonus for Charter,	53,125	41,875	36,250	30,625
Real and Personal Estate,	90,961	64,616	63,808	35,994
Stocks and Bonds,	316,071	580,340	580,648	530,643
Losses chargeable to Contingents,	201,585	300,620	327,507	. . .
Notes of other Banks,	55,305	101,858	71,046	110,996
Gold and Silver,	397,331	389,740	436,225	656,744
Miscellaneous,	68,216	20,571	17,836	41,148
Total Resources,	$ 6,039,950	$ 6,880,287	$ 7,612,912	$ 6,813,191

THE SCOTCH EXCHANGE BANKS.

From the London Atlas, July 20, 1850.

AMONGST the train of evils which have followed the disastrous decadence in the market value of railway shares, one has borne with peculiar severity on Scotland; although indirectly many parties on this side of the Tweed have been, and are, involved with the sufferers. We refer to the failure of the "Exchange Banks," than which nothing has happened more commercially disastrous for Scotland for at least a quarter of a century.

These banks were the direct result of the railway mania. In 1844, when it commenced, the effect of the demand for calls was unforeseen by the greater portion of the speculators. They entered into the wildest and most extravagant undertakings, without attempting to estimate their

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capability of fulfilling their engagements. Calls were to be paid by the sale of shares, and the sale of shares was in every case to bring an enormous profit to the operator. Towards the end of 1845 and in 1846 more rational views of railway liability began to prevail. The first instalments of calls had been made; others were falling due; and those who were liable to provide for them began to look around for the means by which they were to obtain the temporary loan of funds for the purpose. Of course, the loans were only required for a short period? The market had become flat. The holders of shares could not realize quite so large a profit by the immediate sale of stock as they expected and intended to obtain; and temporary accommodation was required to enable these holders to meet present demands without sacrificing their profits by selling shares. Accordingly, the banks were besieged by applicants for advances. Some of the banks in the country saw no objection to make the loans, and did so; but the majority of bankers from the first were shy of railway property. They could not exactly see their way to its ultimate value, and although it might greatly advance, they rather believed that it would fall. Hence the applications for loans on railway shares were generally declined; and some large railway capitalists determined in consequence to attempt the formation of a bank for the *express* purpose of lending its capital and deposits on railway shares. This was the commencement of the Exchange Banks.

When the proposal was made known, the Scotch public eagerly adopted it. In the course of five or six months half a dozen Exchange Banks had been projected, and were in course of formation. The Scotch, who had been the last to feel the influence of the railway mania, were more severely affected by it than any other portion of the community; and they were, perhaps, more in want of the accommodation which the Exchange Banks were intended to afford.

The principles on which these banks commenced were, that they would make advances on the deposit of railway stock of every description, provided that a fair margin was kept between the amount of the advance and the market value of the shares, and that they would also act as banks of deposit for those who wished to have their spare capital invested at a fixed rate of interest, the rate given by these banks being higher than that paid by ordinary bankers.

In a short time the banks were full of business. Those who had been wise enough to keep their capital disengaged from railway shares purchased the shares of the Exchange Banks, and not a few of those who had been so fortunate as to realize money by their railway speculations did the same thing. A very respectable proprietary for nearly all the banks was therefore obtained, and the directors began to make advances on shares and to receive money on deposits. The first half-yearly meetings were of the most satisfactory character. The business was described as preëminently safe. If a loan was made, a railway security was deposited, which could at any time be sold and realize more than the advance, for there was a large margin kept to provide for contingencies. Then the rate of interest taken for these loans was *a little* higher than the ordinary bank rates. A railway speculator did not mind one or

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two per cent. above the market rate of discount, if he could obtain the money when he wanted it. Hence the dividends declared were highly satisfactory to the shareholders, and the stock commanded a premium; for there were bonuses in prospect, which must, of course, be calculated upon in estimating the value of the shares. So things continued for some time. When the crash came in the railway market it made some of the shareholders look grave, but still the *margin* on the loans was a sheet-anchor which it was hoped would prevent any injury to the banks.

Unfortunately, it turns out that this sheet-anchor only existed in idea; or where it actually did exist, the directors have allowed it to slip from them, so that the astounding fact has now been made known to the shareholders, *that all these banks are insolvent;* and that the most fortunate of them will lose four fifths of their entire paid-up capital; in other words, a shareholder who invested £100 will, perhaps, be able to obtain a return of £20 when the concern is finally wound up.

Such are the facts. Some of the consequences which have resulted, affecting railway property, we shall notice in another article.

HISTORY OF A BANK OF ENGLAND NOTE.

From "Household Words." By Charles Dickens.

THE BANK-NOTE. *Oblong Octavo.* London, 1850. *The Governor and Company of the Bank of England. Price, from Five to One Thousand Pounds.*

THE object of this popular but expensive pocket companion is not wholly dissimilar from that of its clever and cheaper contemporary, "Notes and Queries." As the latter is a "medium of intercommunication for literary men," so the former is a medium of intercommunication for commercial men; and surely there is no work with which so many queries are constantly connected as the Bank-Note. Nothing in existence is so assiduously inquired for; nothing in nature so perseveringly sought.

This is not to be wondered at; for in whatever light we view it, to whatever test we bring it, whether we read it backwards or forwards, from left to right, or from right to left; or whether we make it a transparency to prove its substantial genuineness and worth, who can deny that the Bank-Note is a most valuable work? — a publication, in short, without which no gentleman's pocket can be complete?

Few can rise from a critical examination of the literary contents of this narrow sheet, without being forcibly struck with the power, combined with the exquisite fineness, of the writing. It strikes conviction at once. It dispels all doubts, and relieves all objections. There is a pithy terseness in the construction of the sentences; a downright, direct, straight-forward coming to the point, which would be wisely imitated in

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much of the contemporaneous literature that constantly obtains currency (though not as much). Here we have no circumlocution, no discursive pedantry, no smell of the lamp; the figures, though wholly derived from the East (being Arabic numerals), are distinct and full of purpose; and if the writing abounds in flourishes, which it does, these are not rhetorical, but boldly graphic: struck with a nervous decision of style, which, instead of obscuring the text and meaning, convinces the reader that he who traced them when promising to pay the sum of five, ten, twenty, thirty, forty, fifty, one hundred, or a thousand pounds, means honestly and instantly to keep his word: that he *will* pay it to bearer on demand, without one moment's hesitation.

Strictly adapted for utility, yet the dulcet is not wholly overlooked; for, besides figures and flourishes, the graces of art are shed over this much-prized publication. The figure of Britannia is no slavish reproduction of any particular school whatever. She sits upon her scroll of state utterly inimitable and alone. She is hung up in one corner of the page, the sole representative of the P. R. F. P., or pre-reissue-of-the-four-penny-piece, school. Neither, if judged by the golden rule of our greatest bard, is the work wholly deficient in another charm. As we have just explained, its words are few: brevity is the soul of wit. And we fearlessly put it to the keenest appreciator of good things, whether a Bank-Note (say for a hundred) is not the best joke conceivable, — except, indeed, a Bank-Note for a thousand.

A critical analysis of a work of this importance cannot be complete without going deeply into the subject. Reviewing is, alas, too often mere surface-work; for seldom do we find the critic going below the superficies, or extending his scrutiny beyond the letter-press. We shall, however, set a bright example of profundity, and having discharged our duty to the face of the Bank-Note, shall proceed to penetrate below it: having analyzed the print, we shall now speak of the paper.

The late Mr. Cobbett, to express his idea of the intrinsic worthlessness of these sheets, in comparison with the prices at which they pass current, was wont to designate Bank-Notes as "Rags." It may, indeed, be said of them, that "Rags they were, and to tinder they return"; for they are born of shreds of linen, and, ten years after death, are converted in bonfires into the finest of known tinder. It may be considered a curious fact by those who wear shirts, and a painful, because hopeless one, by those who make them, that the refuse or cuttings of linen forms, with a slight admixture of cotton, the pabulum or pulp of Bank-Note Paper. Machinery has made no inroads on this branch of paper-making. The pulp is kept so well mixed in a large vat, that the fibrous material presents the appearance of a huge caldron of milk. Into this the paper-maker dips his mould, which is a fine wire sieve, having round its edge, a slight mahogany frame, called the "Deckel," which confines the pulp to the dimensions of the mould. This dip is quite a feat of dexterity, for on it depends the thickness and evenness of the sheet of paper. The water-mark, or, more properly, the wire-mark, is obtained by twisting wires to the desired form or design, and stitching them on the face of the mould; therefore the design is above the level face of the mould, by

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the thickness of the wires it is composed of. Hence, the pulp in settling down on the mould must of necessity be thinner on the wire design than on other parts of the sheet. When the water has run off through the sieve-like face of the mould, the new-born sheet of paper is transferred to a blanket; this operation is called "couching," and is effected by pressing the mould gently but firmly on the blanket, when the spongy sheet clings to the cloth. Sizing is a subsequent process, and, when dry, the water-mark is plainly discernible, being, of course, transparent where the substance is thinnest. The paper is then made up into reams of five hundred sheets each, ready for press. The water-mark in the notes of the Bank of England is secured to that establishment by a special act of Parliament. Indeed, imitation of any thing whatever connected with a Bank-Note is an extremely hazardous feat.

A scrupulous examination of this curious piece of paper implants a thorough conviction that it is a very superior article, — in short, unique. There is nothing like it in the world of sheets. Tested by the touch, it gives out a crisp, crackling, sharp sound, — a note essentially its own, — a music which resounds from no other quires. To the eye it shows a color belonging neither to blue-wove nor yellow-wove, nor to cream-laid, but a white, like no other white, either in paper and pulp. The rough fringiness of three of its edges are called the "deckeled" edges, being the natural boundary of the pulp when first moulded; the fourth is left smooth by the knife, which eventually cuts the two notes in twain. It is so thin that, when printed, there is much difficulty in making erasures; yet it is so strong that a "water-leaf" (a leaf before the application of size) will support thirty-six pounds; and, with the addition of one grain of size, half a hundred weight, without tearing; yet the quantity of fibre of which it consists is no more than eighteen grains and a half.

The process of engraving the Bank-Note is peculiar. Its general design is remarkably plain, — steel plates are used, and are engraved in a manner somewhat analogous to that employed in the Mint for the production of the coin, except that heavy pressure is used instead of a blow. The form of the Note is divided into four or five sections, each engraved on steel dies, which are hardened. Steel rollers, or mills, are obtained from these dies, and each portion of the Note is impressed on a steel plate to be printed from by the mills until the whole form is complete.

By means of a very ingenious machine, the engraving on the plates when worn by long printing is repaired by the same mills, and thus perfect identity of form is permanently secured. The merits of this system are due to the late Mr. Oldham, and the many improvements introduced, not only into this, but into the printing department, are the work of his son and successor, Mr. Thomas Oldham, the present chief engraver to the Bank of England. The plate — always with a pair of notes upon it — is now ready for the press; for it contains all the literary part of the work, except the date, the number, and the cashier's signature.

We must now review the manner of printing. Before passing through the press, all paper must be damped that it may readily absorb ink; and Bank-Note paper is not exempt from this law; but the process by which

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it is complied with is an ingenious exception to the ordinary modes. The sheets are put into an iron chamber which is exhausted of air; water is then admitted, and forces itself through every pore at the rate of thirty thousand sheets, or double notes, per minute!

In a long gallery, that looks like a chamber of the Inquisition, with self-acting racks, stands a row of plate-printing presses worked by steam. Every time a sheet passes through them, they emit a soft "click" like a ship's capstan creaking in a whisper. By this sound they announce to all whom it may concern that they have printed two Bank-Notes. They are telltales, and keep no secrets; for, not content with stating the fact aloud, each press moves, by means of a chain, an index of numerals at the end of the room; so that the chief of the department can see at any hour of the day how many each press has printed. To take an impression of a note-plate "on the sly" is therefore impossible. By a clever invention of Mr. Oldham, the impression returns to the printer when made, instead of remaining on the opposite side of the press, after it has passed through the rollers, as of old. The plates are heated, for inking, over steam-boxes instead of charcoal fires.

When a ream, consisting of five hundred sheets, or one thousand notes, have been printed, they are placed in a tray which is inserted in a sort of shelf-trap that shuts up with a spring. No after-abstraction can, therefore, take place. One such repository is over the index appertaining to each press, and at the end of the day it can at once be seen whether the number of sheets corresponds with the numerals of the telltale. Any sort of mistake can thus be readily detected. The average number of "promises to pay" printed per diem is thirty thousand.

As we cannot allow the dot over an *i*, or the cross of a *t*, to escape the focus of our critical microscope, we now proceed to apply it to the Bank Ink. Like the liquid of Messrs. Day and Martin, this inestimable composition, with half the usual labor, produces the most brilliant jet-black, fully equal to the highest Japan varnish, and is warranted to keep in any climate. It is made from the charred husks of Rhenish grapes after their juice has been expressed and bottled for exportation to the dinner-tables of half the world. When mixed with pure linseed oil, carefully prepared by boiling and burning, the vinous refuse produces a species of blacks so tenacious that they obstinately refuse to be emancipated from the paper when once enslaved to it by the press. It is so intensely nigritious, that, compared with it, all other blacks are musty browns, and pale beside it. If the word of a printer's devil may be taken, it is many degrees darker than the streams of Erebus. Can deeper praise be awarded?

The note is, when plate-printed, two processes distant from negotiable; the first being the numbering and dating,—and here we must point out the grand distinction which exists between the publication which we have the satisfaction of stating now lies before us (but it is only a "Five") and ordinary prints. When the types for this miscellany, for instance, are once set up, every copy struck off from the press is precisely similar. On the contrary, of those emitted from the Bank presses *no two are alike.* They differ either in date, in number, or in

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denomination. This difference constitutes a grand system of check, extending over every stage of every Bank-Note's career, — a system which records its completion and issue, tracks it through its public adventures, recognizes it when it returns to the Bank, from among hundreds of thousands of companions, and finally enables the proper officers to pounce upon it, in case of inquiry, at any official half-hour for ten years after it has returned in fulfilment of its "promise to pay." To promise an explanation of what must appear so complicated a plan, may seem to the reader like a threat of prolixity. But he may read on in security; the system is as simple as the alphabet.

Understand, then, that the dates of Bank-Notes are arbitrary, and bear no reference to the day of issue. At the beginning of the official year (February) the Directors settle what dates each of the eleven denominations of Bank-Notes shall bear during the ensuing twelve months, taking care to apportion to each sort of note a separate date. The table of dates is then handed to the proper officer, who prints accordingly. The five-pound Note which now rejoices our eyes is, for example, dated February the 2d, 1850; we therefore know that there is no genuine note in existence, for any other sum, which bears that date; and if a note for ten, twenty, fifty, hundred, &c., having "2d Feb., 1850," upon it, were to be offered to us or to a Bank Clerk, we or he would, without a shadow of further evidence, impound it as a forgery.

Now, as to the numbering: — it is a rule that, of every date and denomination, one hundred thousand Notes — no more and no less — shall be completed and issued at one time. We know, therefore, that our solitary five is one of a hundred thousand other fives, each bearing a different number, — from 1 * to 100,000, — but all dated 2d Feb., 1850. The numbers are printed on each Note by means of a letter-press, the types of which change with each pull of the press. For the first Note, the press is set at "00001," and when that is printed, the "1," by the mere act of impression, retires to make room for "2," which impresses itself on the next Note, and so on up to "100,000." The system has been applied to the stamping of railway tickets. The date, being required for the whole series, is of course immovable. After this has been done, the autograph of a cashier is only requisite to render the Note worth the value inscribed on it, in gold.

While the printers are at work, manufacturing each series of Notes, the account-book makers are getting up a series of ledgers so exactly to correspond, that the books of themselves, without the stroke of a pen, are a record of the existence of the Note. The book in which the birth of our own especial and particular "Five" is registered, is legibly inscribed,

"Fives, Feb. 2, 1850."

When you open a page, you find it to consist of a series of horizontal and perpendicular lines, like the pattern of a pair of shepherd's plaid inexpressibles, variegated with columns of numerals; these figures running

* To prevent fraudulent additions of numerals, less than five figures are never used. When units, tens, &c., are required, they are preceded by cyphers. "One" is therefore expressed on a Bank-Note thus: — "00001."

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on regularly from No. 1, on the top of the first page, to No. 100,000, at the bottom of the last. It must therefore be obvious to the meanest capacity, that the mere existence of that book, with its arbitrary date and series of numbers, corresponding to the like series of Notes, is a sufficient record of the existence and issue of the latter. The return of each Note, after its public travels, is recorded in the square opposite to its number. Each page of the book contains two hundred squares and numbers; consequently, whatever number a Note may bear, the clerk who has to register its safe return from a long round of public circulation knows at once on which page of the book to pounce for its own proper and particular square. In that he inserts the date of its return, — not at full length, but in cipher. "S" in red ink means 1850, and the months are indicated by one of the letters of the word AMBIDEXTROUS, with the date in numerals. Our only, and therefore favorite, Five is numbered 31,177. Should it chance to finish its travels in the Accountant's Office on the 6th of August next, it will be narrowly inspected (for fear of forgery) and defaced, — a clerk will then turn at once to the book lettered "Fives, Feb. 2," and so exactly will he know which page to open, and where the square numbered 31,177 is situated, that he could point to it blindfold. He will write in it "6 t," which means 6th August; that being the eighth month in the year, and "t" the eighth letter in the chosen word.

The intermediate history of a Bank-Note is soon told. Nineteen twentieths are issued to bankers or known houses of business. If Glynn's, or Smith's, or any other banking firm, require a hundred ten-pound Notes, the clerk who issues them makes a memorandum, showing the number of the notes so issued, and the name of the party to whom they have been handed, — an easy process, because Notes being new,* are always given out in regular series, and the first and last Note that makes the sum required need only be recorded. Most bankers make similar memoranda when Notes pass out of their hands; and the public, as each Note circulates among them, frequently sign the name of the last holder. When an unknown person presents a Note for gold at the Bank of England, he is required to write his name and address on it, and if the sum be very large, it is not paid without inquiry. By these expedients, a stolen, lost, or forged note can often be traced from hand to hand up to its advent.

The average period which each denomination of London Notes remain in circulation has been calculated, and is shown by the following

Account of the Number of Days a Bank-Note issued in London remains in Circulation: —

£ 5	72.7 days.	£ 50	38.8 days.
10	77.0 "	100	29.4 "
20	57.4 "	200	12.7 "
30	18.9 "	300	10.6 "
40	13.7 "	500	11.8 "
	£ 1000	11.1.	

* The Bank ceased to reissue its Notes since 1835.

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The exceptions to these averages are few, and therefore remarkable. The time during which some Notes remain unpresented are reckoned by the century. On the 27th of September, 1845, a fifty-pound Note was presented, bearing date 20th January, 1743. Another for ten pounds, issued on the 19th November, 1762, was not paid till the 20th April, 1843. There is a legend extant, of the eccentric possessor of a thousand pound Note, who kept it framed and glazed for a series of years, preferring to feast his eyes on it, to putting the amount it represented out at interest. It was converted into gold, however, without a day's loss of time, by his heirs, on his demise. Stolen and lost Notes are generally long absentees. The former usually make their appearance soon after some great horse-race, or other sporting event, altered or disguised so as to deceive bankers, to whom the Bank of England furnishes a list of the numbers and dates of stolen Notes. In a Chapter on Forgery, which we are preparing, the reader will see some singular facts on this point.

Mr. Francis, in his "History of the Bank of England," tells a curious story about a bank-post bill, which was detained during thirty years from presentation and payment. It happened in the year 1740: — "One of the directors, a very rich man, had occasion for £ 30,000, which he was to pay as the price of an estate he had just bought; to facilitate the matter, he carried the sum with him to the Bank and obtained for it a Bank bill. On his return home, he was suddenly called out upon particular business; he threw the Note carelessly on the chimney, but when he came back, a few minutes afterwards, to lock it up, it was not to be found. No one had entered the room; he could not therefore suspect any person. At last, after much ineffectual search, he was persuaded that it had fallen from the chimney into the fire. The director went to acquaint his colleagues with the misfortune that had happened to him; and as he was known to be a perfectly honorable man, he was readily believed. It was only about four-and-twenty hours from the time that he had deposited his money; they thought, therefore, that it would be hard to refuse his request for a second bill. He received it upon giving an obligation to restore the first bill, if it should ever be found, or to pay the money himself, if it should be presented by any stranger. About thirty years afterwards (the director having been long dead, and his heirs in possession of his fortune), an unknown person presented the lost bill at the Bank, and demanded payment. It was in vain that they mentioned to this person the transaction by which that bill was annulled; he would not listen to it; he maintained that it had come to him from abroad, and insisted upon immediate payment. The Note was payable to bearer; and the thirty thousand pounds were paid to him. The heirs of the director would not listen to any demands of restitution; and the bank was obliged to sustain the loss. It was discovered afterwards that an architect, having purchased the director's house, had taken it down, in order to build another upon the same spot, had found the Note in a crevice of the chimney, and made his discovery an engine for robbing the Bank."

Carelessness, equal to that recorded above, is not at all uncommon,

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and gives the Bank enormous profit, against which the loss of a mere thirty thousand pound is but a trifle. Bank-Notes have been known to light pipes, to wrap up snuff, to be used as curl-papers; and British tars, mad with rum and prize-money, have not unfrequently, in time of war, made sandwiches of them, and eaten them between bread-and-butter. In the forty years between the years 1792 and 1812 there were outstanding Notes (presumed to have been lost or destroyed) amounting to one million three hundred and thirty odd thousand pounds, every shilling of which was clear profit to the Bank.

The superannuation, death, and burial of a Bank of England Note is a story soon told. The returned Notes, or promises performed, are kept in "The Library" for ten years, and then burnt in an iron cage in one of the Bank yards.

A few words on the history and general appearance of the Bank of England Note will conclude our criticism.

The strong principle to insure the detection of forgery is uniformity; hence, from the very first Note issued by the Bank, to that, the merits of which we are now discussing, the same general design has been preserved, — only that the execution has been from time to time improved; except, we are bound to add, that of the signatures, some of which are still as illegible as ever. Originally, Notes were granted more in the form of Bank post-bills, — that is, not nominally to a member of the establishment, but really to the party applying for them, and for any sum he might require. If it suited his convenience, he presented his Note several times, drawing such lesser sums as he might require; precisely as if it were a letter of credit, after the manner of the Sailor mentioned in the latest edition of Joe Miller. Jack, somehow or other, got possession of a fifty-pound Note; the sum was so dazzlingly enormous that he had not the heart, on presenting it for payment, to demand the whole sum at once, for fear of breaking the Bank. So, leaning confidentially over the counter, he whispered to the cashier, that he would n't be hard upon 'em. He knew times were bad, — so, as it was all the same to him, he would take five sovereigns now, and the rest at so much a week. In like manner, the fac-simile on the opposite page, while it presents a specimen of one of the earliest Bank-Notes in existence, shows that the holder took the amount as Jack proposed, — by instalments. It was granted to Mr. Thomas Powell, on the 19th of December, 1699, for five hundred and fifty-five pounds. His first draft was one hundred and thirty-one pounds, ten shillings, and one penny; the second, "in gould," three hundred and sixty; the third, sixty-three pounds, nine shillings, and eleven pence, when the note was retained by the Bank as having been fully honored.

New Jersey. — A new Bank, under the general law passed at the last session of the New Jersey Legislature, is in the course of organization at Newark. It is to be called the Newark City Bank, and will be located in the north part of the city. The subscription books for the stock — two hundred thousand dollars — will be opened on the 2d of September.

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MISCELLANEOUS.

CANADA. — The following bills have been passed by the Canadian Parliament, at its late session : —

1. An Act to incorporate the Kingston Fire and Marine Insurance Company.
2. An Act to provide for the formation of Incorporated Joint Stock Companies, for manufacturing, mechanical, mining, or chemical purposes.
3. An Act to establish Freedom of Banking in the Province, and for other purposes relating to Banks and Banking.
4. An Act to confer certain rights upon the Chartered Banks of the Province, and to declare the rights already possessed by them in certain cases.
5. An Act to amend and explain the acts therein mentioned relative to Promissory Notes and Bills of Exchange, and to limit the sum to be allowed for the expenses of noting and protesting Bills and Notes in certain cases, under the Act to regulate the damages on protested Bills of Exchange within the Province.

BANK LOCKS. — A paragraph was copied into our July number from a New York paper, stating that one of Day & Newell's bank locks had been opened, whereby the Cleveland Insurance Co. had been robbed. We are since informed that the lock was opened with the true key, which had been stolen from the premises of the company. We are also informed that the same company, and two other of the Cleveland Banks, have since purchased locks made by the same manufacturers.

BALTIMORE CITY STOCK DEBT. — From an extended tabular statement submitted to the City Council we take the following recapitulation of the present condition of the City Stock Debt : —

SIX PER CENT. STOCK.

Six per cent. pleasure stock,	$ 193,208.46
Six per cent. irredeemable before the 1st July, 1860,	169,901.80
Do. do. redeemable after the 1st July, 1870,	228,000.00
Do. do. do. after the year 1870,	626,940.89
Do. do. do. after the year 1890,	342,042.16
Do. do. do. after the 1st July, 1890,	2,896,619.81
Total, remaining unchanged since 1st January, 1850,	$ 4,456,713.12

FIVE PER CENT. STOCK.

Five per cent. stock redeemable after 1st July, 1838,	$ 39,256.00
Do. do. do. do. after 1840,	8,590.00
Do. do. do. do. after 1845,	329,457.72
Do. do. do. do. after 1860,	266,118.12
Do. do. do. do. after 1870,	250,000.00
Do. do. do. irredeemable,	12,000.00
	$ 905,421.84
Court House stock, payable after 1st July, 1858 and 1860,	$ 92,254.21

The total amount of the debt as shown by the above is $ 5,454,389.17. — *Baltimore American.*

REFINING GOLD. — Professor Richard S. McCulloch, who fills the chair of Natural Philosophy at Princeton College, and who previously held the office of Melter and Refiner at the United States Mint, has addressed a letter to the Secretary of the Treasury, in which he states that he has discovered a new, quick, and economical method of refining argentiferous and other gold bullion, whereby the work may be done in one half the present time, and with a large saving in interest upon the amount which is currently refined, and withdrawn for that purpose from the use of the depositor, or from the treasury, by advances for his accommodation. The writer adds, that "in labor and materials this new method would also save about one half of the cost required by the process now used in the Mint of the United States; so that the charge to depositors for refining, which now is, as by law directed, fixed at the actual cost thereof, may be considerably reduced. The apparatus required is less costly and more compact than that used in either of the methods now employed. The advantages in respect to space are such that probably five times as much work as at present may be done in the same building. In the Mint at Philadelphia ten millions of dollars per month may be refined, and the sum of $ 1,000 would, I believe, cover the cost of the alterations and apparatus required." — *Baltimore American.*

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Stocks and Exchanges.

State Securities, August 26, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	105	"
New York,	6	"	1860	111	" 112
"	6	"	1865	117	" 118
"	5	"	1858	105½	" 106¼
"	5	"	1866	105½	" 107
Pennsylvania,	6	"	1879	107	" 107½
"	6	"	past due,	99½	" 100½
"	5	"	. . .	92½	" 93
Maryland,	6	"	. . .	103¾	" 104½
"	5	"	. . .	89½	" 90
"	5	"	sterling,	99	" 100
Virginia,	6	"	. . .	104	" 105
South Carolina,	6	"	. . .	100	" 104
Ohio,	5	"	1856	100	" 102
"	6	"	1870	110	" 114
"	7	"	1851	103	" 103½
Kentucky,	6	"	1871	104¾	" 105
"	5	"	. . .	87	" 88
Tennessee,	5	"	. . .	86	" 88
"	6	"	. . .	105	" 106
Indiana Bonds,		"	. . .	47	" 50
Indiana State,	5	"	. . .	77	" 78
Alabama,	5	"	. . .	82	" 85
"	6	"	. . .	85	"
Arkansas,	6	"	. . .	45	" 53
Illinois Int. Imp. Stock,			. . .	52½	" 53
" Interest Stock,			. . .	26	" 27

Baltimore, August 24.

Baltimore, 6 per cent.,	1890	107½	to 107½
B. and Ohio R. R. Stock,		72½	" 73
" " Bonds,	1854	100	" 101
" " Div. Bonds,		94	" 95½
Bank of Baltimore, . .	100	96	" 97
Merchants' Bank, . . .	100	98	" 100
Union Bank, ...	75	69½	" 70½
Mechanics' Bank, . . .	15	16¾	" 17
Commercial and Farmers',	33½	38	" 40
Western Bank, ...	20	21	" 21½
Farmers and Planters', .	25	26½	" 27
Chesapeake Bank, . . .	25	26	" 26½
Marine Bank, ...	30	29½	" 30
Farmers and Merchants',	40	38½	" 40
Franklin Bank, ...	12½	11½	" 12
Farmers' Bank of Maryland,	50	50	" 51
Patapsco Bank, ...	25	22	" 24½

Philadelphia, August 24.

U. S., 6 per cent.,	1856	107½	to 108
" "	1862	112	" 113
" "	1867	115½	" 116
" "	1868	116	" 116½
" Coupons,	1868	116½	" 117
" 5 per cent.,	1853	101½	" 102
" Treasury Notes, 6 p. cent.,		115	" 115½
Philadelphia, 6 per cent.,		108	" 109
Nashville, 6 per cent.,	100	92	" 93
Alleghany, "	100	87	" 87½
Cincinnati, 6 p. ct., water-works,		100	" 102
Pittsburg, 6 per cent., coupons,		96½	" 97
St. Louis, " "		92	" 95
Bank of Pennsylvania, .	100	115½	" 116
" North America,	100	136	" 138
Philadelphia Bank, . . .	100	138⅝	" 140
Farmers and Mechanics',	50	68	" 68½
Commercial Bank, . . .	50	62½	" 64
B. Northern Liberties, .	35	53	" 55
Mechanics' Bank, . . .	20	29½	" 29¾
Southwark Bank, . . .	50	70½	" 72
Kensington Bank, . . .	50	63½	" 65
B. Penn Township, . .	22½	29	" 30
Western Bank, ...	40	62	" 68
Manuf. and Mechanics', .	25	27½	" 27½
Bank of Commerce, . .	50	62½	" 64
Girard Bank, ...	12½	12½	" 12⅝
Bank of Pittsburg, . . .	50	50	"
Exchange Bank, . . .	50	47½	" 48
Merchants and Manuf., .	50	50	" 53
United States Bank, . .		1⅝	" 2
Bank of Louisville, . .	100	103½	" 105½
Northern Bank, Ky., . .	100	106	" 106½
Bank of Kentucky, . .	100	105	" 105½
Union Bank, Tennessee,	100	65½	" 66
Planters' Bank of Tenn.,		65	" 66
N. O. Gas Light Bank. Co.,		113	" 114
Morris Canal, ...	25	16⅝	" 16¾
Reading Railroad, . . .	50	24⅜	" 24⅝
" Bonds, 6 p. cent.,	1870,	73⅞	" 74
" Mortgages,	1860,	78½	" 79
Com. and Vicks. R. R. B.,	100	15⅝	" 16
Phil. and Trenton Railroad,	100	127	" 130
Phil., W., Balto. Railroad,	50	23½	" 24½
Harrisburg Railroad, . .	50	46	" 46½
Schuylkill Navigation, .	50	56½	" 57½
Camden and Amboy R. R.	100	132	" 134

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New York, August 26.

Bills on London, 60 days,		110½	to 110¼
" Paris,		522½	" 521½
" Amsterdam,		40⅜	" 40⅝
" Hamburg,		35⅞	" 36
" Bremen,		79¾	" 80
N. Y. City, 7 per cent.,	1857	111	" 111¼
" 5 "	1856	102	" 104
" 5 " W. Ln.,	1858	102	" 102½
Brooklyn City, 6 per cent.,		104	" 106
Albany " 6 "		103¼	" 105½
Columbus " 7 "		97	" 100
Erie R. R. Bonds,		107	" 108
Hudson River R. R. Bonds,		99	" 99¾
Hartford and New Haven R. R.,		118	" 120
N. Y. and Erie R. R.,	7	102	" 102¼
Syracuse and Utica,	8	126	" 129
" Rochester,	8	97	"
Long Island Railroad,		12	" 12½
Providence and Stonington,		35	" 40
N. Y. and New Haven R. R.,		107	"
Paterson Railroad,		85	" 95
Tonawanda Railroad,	20	115	" 116
Harlem Railroad,		58⅜	"
Mohawk Railroad,		81	" 82
Utica and Schenectady,		136	" 138
Hudson River Railroad,	6	72½	" 73½
Bank of New York,	10	135	"
Manhattan Bank,	7	114	"
Merchants' Bank,	10	118¼	" 120
Mechanics' Bank,	10	122¾	" 123
Union Bank,	10	130	" 132
Bank of America,	8	109	"
City Bank,	10	119	" 121
Phœnix Bank,	7	106	"
Tradesmen's Bank,	15	140	" 141
Fulton Bank,	10	120	"
Del. and Hudson C. Co.,	24	153	" 154
Butchers and Drovers',	10	130	"
National Bank,	8	114	" 116
Merchants' Exchange,	8	115	" 120
Leather Manufacturers',	8	112	" 112½
Bank of the State of N. Y.,	7	103	" 104
Bank of Commerce,	8	108	" 108½
Mech. Banking Association,	7	100	" 101
American Exchange Bank,	10	118	" 120
N. Y., L. I., and T. Co.,	8	120	" 125
Farmers' L. and T. Co.,		42¼	" 42½
Ohio Life and T. Co.,		103	" 105
Canton Co.		47½	"
Bank of Louisiana,	10	120	"
Louisiana State Bank,	10	92	" 96
N. O. Canal and B. Co.,	6	88½	" 90
Mech. and Traders' N. O.,	8	92	" 98

Boston, August 26.

Boston, 6 per cent., 1853,		102	to 102½
" 5 " 1860,		100	"
East Boston Co.,		14⅝	" 15
Atlantic Bank,		112	" 115
Atlas Bank,		101	" 102
Boston Bank (par 50),		57	" 57½
Boylston Bank,		106	" 107
City Bank,		104	" 104½
Cochituate Bank,		102½	" 103
Columbian Bank,		102	" 103
Eagle Bank,		104	" 105
Exchange Bank,		106¾	"
Freeman's Bank,		110	" 111
Globe Bank,		110	" 112
Granite Bank,		103	" 104
Grocers' Bank,		99	"
Hamilton Bank,		103	"
Market Bank (par 70),		82	" 83
Massachusetts Bank (par 250),		240	" 245
Mechanics' Bank,		107	" 108
Merchants' Bank,		110½	" 111
New England Bank,		110½	" 111
North Bank,		100	" 101
Shawmut Bank,		105	" 106
Shoe and Leather Dealers' Bank,		114	" 116
State Bank (par 60),		63½	" 64
Suffolk Bank,		133	" 135
Traders' Bank,		104	" 105
Tremont Bank,		104¾	" 105
Union Bank,		105	" 106
Washington Bank,		99	" 99½
Boston and Lowell R. R. (par 500),		565	" 570
" Maine Railroad,		103	" 103½
" Providence Railroad,		79½	" 80
" Worcester "		96¾	" 97
Concord Railroad (par 50),		55½	"
Connecticut River Railroad,		83	"
Eastern Railroad,		100¾	"
Fall River Railroad,		82	" 83
Fitchburg Railroad,		109½	"
Hartford and New Haven R. R.,		118	" 120
Nashua and Lowell Railroad,		108½	" 109
Norwich and Worcester Railroad,		40½	" 41
Northern Railroad,		64½	" 65
Old Colony Railroad,		54	"
Stonington "		41	"
Vermont and Mass. Railroad,		25	"
Vermont Central Railroad,		27⅛	" 27¾
Western Railroad,		99½	"
Albany W. Railroad, 6 per cent.,		106	"
Michigan Central Railroad,		85	" 86
New Bedford and Taunton R. R.,		105	" 106
Rutland Railroad,		41	"

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BANK ITEM.

City Bank, New Haven. — The counterfeit $50 and $100 bills on the City Bank of New Haven, spoken of in the papers of the day, are of the same character, and no doubt from the same quarter, as those recently forged on the New Haven and New Haven County Banks, namely, impressions taken from the true plates while in the hands of the printers, with forged signatures. The plate from which these bills were taken, contained one of $50 and one of $100; and it is, therefore, probable that spurious notes of both these denominations are in circulation, but the bank has only heard of three $50 bills.

This plate was altered in 1847, by engraving in the margin, on the *top* of the 100's and the *bottom* of the 50's, the words, "*Charter Perpetual*," and as the counterfeits do not contain this alteration they must have been taken when the plate was at the printers before that time, which was last in 1844. This lapse of time has rendered detection of the counterfeits easy, as *all* the genuine $50 bills, without the alteration above spoken of, have been withdrawn from circulation; and there are *only two* of the $100 bills now out. *The counterfeits* have the name of *Wm. Johnson* as President, but all the true 50's and 100's, *except the two* 100's *above mentioned*, are signed by E. C. Read, the present President. The Bank will soon have a new plate prepared. — *New Haven Journal.*

Notes on the Money Market.

Boston, 26th August, 1850.

Exchange on London, 60 days, 110¼ to 110½.

There is a slightly increased demand for money since our last monthly report, added to greater activity in the various branches of business. The Fall trade has set in, with indications of heavy business in dry goods, &c. It remains yet to be seen whether the anticipations of our importers will be realized. The most extensive arrangements have been made for the sales of foreign goods, the importations being larger than at any previous period in the United States.

The rate for bills on London, at this date, is in itself indicative of an unfavorable condition of our foreign trade. The last Cunard steamer from New York carried out $300,000 in coin, and shipments will continue as long as sterling bills are above ten per cent. premium. The aggregate of specie in the banks will not, however, diminish, while such heavy sums continue to reach us from California. Late returns would show the following amounts of coin held at New York, New Orleans, London, and Paris: —

	January, 1849.	*June*, 1850.
New York,	$7,200,000	$13,800,000
New Orleans,	6,300,000	5,300,000
London,	72,000,000	£16,000,000 or 80,000,000
Paris,	52,500,000	Fcs. 440,000,000 or 88,000,000
Totals,	$138,000,000	$187,100,000

The excessive importation from abroad is an evil which will correct itself in time. Whenever the banks find their coin going too rapidly, they will feel bound to curtail their loans and issues, and the spirit of speculation in the mercantile community, now so rife, will be lessened by the diminished accommodations from the banks.

In Boston, money may be quoted as worth seven per cent. for prime paper, while some have to submit to nine or ten per cent. for good paper. Railroad paper may be quoted at ten per cent.

In New York, money is yet easier than with us. Their rates may be stated as follows: —

Short first-class notes and acceptances,	5½ to 6, scarce.
Long " " "	6 " 7, fair supply.
Auctioneers' paper,	7 " 9, good "
Second-class notes, and names less known,	8 " 9, large "
Loans on demand, and specified,	5 " 7, easily negotiated.

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It is no easy matter to furnish reliable quotations of the value of money. One capitalist or dealer will quote at six per cent. and easy, and another will report that good paper is freely selling at eight. We must, therefore, take the highest and lowest rates.

There is no doubt that the business of the country has increased in a much larger ratio than our bank accommodations. This may be shown by the following tables, which have been derived from official sources: —

Revenue of the United States for the Fiscal Year commencing 1st July, 1849, and ending 30th June, 1850.

	Customs.	*Lands.*	*Loans, 1847-48.*	*Miscellaneous.*	*Total.*
1st quarter,	$ 11,643,680	$ 406,119	$ 1,238,500	$ 173,700	$ 13,462,000
2d "	7,207,386	533,584	504,100	57,732	8,302,802
3d "	11,500,145	565,447	1,944,400	822,210	14,832,202
4th "	9,342,172	354,744	358,950	793,576	10,849,442
Actual,	$ 39,693,383	$ 1,859,894	$ 4,045,950	$ 1,847,218	$ 47,446,446
Estimated,	31,500,000	1,700,000	1,238,500	1,200,000	35,638,500

Showing a difference between the actual receipts and the Treasury estimates (see p. 502, Vol. IV.) of nearly twelve millions of dollars.

The great increase of duties has arisen at New York, Boston, and Philadelphia. Their Custom-House returns show the following results: —

Imports at New York, 1847-1850.

To June 30.	*Dutiable.*	*Free.*	*Specie.*	*Total.*
1847,	65,203,532	9,082,713	8,307,380	82,593,625
1848,	82,312,451	8,183,026	1,173,406	91,668,883
1849,	78,583,323	8,028,579	2,813,380	89,425,282
1850,	95,359,625	7,890,878	10,502,115	113,752,618
Total, 4 years,	$ 321,458,931	$ 33,185,196	$ 22,796,281	$ 377,440,408
Average,	80,364,733	8,296,299	5,699,070	94,360,102
Excess in 1849-50, *twenty per cent.,*				19,392,516
Excess of 1849-50 beyond 1846-47, *excluding specie,*				28,964,258

Exports for the same Period.

To June 30.	*Domestic.*	*Foreign.*	*Specie.*	*Total.*
1847,	43,021,382	2,616,572	905,841	46,543,795
1848,	33,637,844	2,693,597	12,028,794	48,360,235
1849,	33,166,339	3,553,885	4,739,903	41,460,127
1850,	33,227,676	5,433,841	5,885,103	44,546,620
Total, 4 years,	$ 143,053,241	$ 14,297,895	$ 23,559,641	$ 180,910,777
Average,	35,763,310	3,574,474	5,889,910	45,227,694

Value of Foreign Merchandise, imported into the Port of Boston during the Years ending June 30, 1849 and 1850.

	Dutiable.	*Free.*	*Specie.*	*Total.*
July 1 to Sept. 30, 1848,	5,965,765	335,380	48,644	6,349,789
Oct. 1 to Dec. 31, "	5,076,294	397,550	37,405	5,511,249
Jan. 1 to March 31, 1849,	4,589,038	378,558	148,158	5,115,754
April 1 to June 30, "	5,137,313	276,835	950,205	6,364,353
1 year, to 30th June, 1849,	$ 20,768,410	$ 1,388,323	$ 1,184,412	$ 23,341,145
July 1 to Sept. 30, 1849,	7,180,403	428,860	22,295	7,631,558
Oct. 1 to Dec. 31, "	4,472,566	372,844	37,223	4,882,633
Jan. 1 to March 31, 1850,	7,616,841	404,638	122,911	8,144,390
April 1 to June 30,	7,214,931	466,185	320,036	8,001,152
Total,	$ 26,484,741	$ 1,672,527	$ 502,465	$ 28,659,733

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Value of Foreign Merchandise exported during the above-named period.

July 1 to Sept. 30, 1848,	$ 294,392	$ 200,527	$ 12,825	$ 507,744
Oct. 1 to Dec. 31, "	305,203	92,360	4,620	402,183
Jan. 1 to March 31, 1849,	232,515	108,466	54,372	395,353
April 1 to June 30, "	494,353	121,550	56,300	672,203
Total, 1848 - 49,	$ 1,326,463	$ 522,903	$ 128,117	$ 1,977,483
July 1 to Sept. 30, 1849,	407,291	53,026	74,928	535,245
Oct. 1 to Dec. 31, "	323,422	41,776	95,646	460,844
Jan. 1 to March 31, 1850,	406,178	76,119	127,237	609,534
April 1 to June 30, "	312,987	188,704	80,810	582,501
Total, 1849 - 50,	$ 1,449,878	$ 359,625	$ 378,621	$ 2,188,124

Value of American Merchandise exported from the Port of Boston to Foreign Countries, during the Years ending June 30, 1849 and 1850.

Year 1848 - 49.	*Domestic.*	*Specie.*	*Total.*
July 1 to Sept. 30, 1848,	1,584,004	2,800	1,586,804
Oct. 1 to Dec. 31, "	2,063,330	3,474	2,066,804
Jan. 1 to March 31, 1849,	1,128,319	9,333	1,137,652
April 1 to June 30, "	1,905,340	17,990	1,923,330
Year 1848 - 49,	$ 6,680,993	$ 33,597	$ 6,714,590
July 1 to Sept. 30, 1849,	1,808,248	71,003	1,879,251
Oct. 1 to Dec. 31, "	1,830,396	9,700	1,840,096
Jan. 1 to March 31, 1850,	1,480,608	25,519	1,506,127
April 1 to June 30, "	1,614,369	114,685	1,729,054
Year 1849 - 50,	$ 6,733,621	$ 220,907	$ 6,954,528

IMPORTS AT PHILADELPHIA. — The cash receipts at the Philadelphia Custom-House for the month of June were $ 215,684.30, showing an excess of $ 59,996.54 over the corresponding month of 1849. The annexed statement shows the receipts each month for the first six months of the years 1850, 1849, and 1848.

	1850.	1849.	1848.
January,	$ 503,829.45	$ 210,041.55	$ 291,277.98
February,	147,484.70	284,923.55	373,573.90
March,	315,963.92	329,873.60	247,991 51
April,	222,052.60	149,644.10	249,778.08
May,	253,939.92	142,413.83	179,909.79
June,	215,684.30	155,687.76	112,117.88
Total,	$ 1,658,954.89	$ 1,272,584.39	$ 1,454,649.14

IMPORTS OF CHARLESTON. — The following is an abstract of the revenue on foreign imports from January 1 to June 30, 1850, with the receipts for the same period in 1849.

	1849.	1850.	*Increase.*
First quarter,	$ 82,337.69	$ 128,111.23	$ 45,773.54
Second quarter,	86,156.72	100,280.16	14,123.44
Total,	$ 168,494.41	$ 228,391.39	$ 59,896.98

DEATHS.

AT LOUISVILLE, KY., on the 21st June last, Chapman Coleman, Esq., President of the Northern Bank of Kentucky, at Louisville.

In August, 1850, George C. Gwathmey, Esq., Cashier of the Bank of Kentucky, at Louisville.

AT SOMERSET, KY., on the 7th of August, after an illness of ten hours only, John B. Curd, Esq., Cashier of the Branch Farmers' Bank of Kentucky, at Somerset.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. OCTOBER, 1850. No. IV.

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THE HOME MARKET.

WE are glad to find that energetic movements have taken place for the promotion of American industry in the South. The true policy of this country is to protect THE HOME MARKET, by giving all possible encouragement to our own manufactures and our own mechanics. These are the men who, with their families and dependants, consume the products of the soil to a large extent. Their interests are closely interwoven and identified with those of the merchant, the professional man, the agriculturist, and all other grades of society. The common interests of the whole country are promoted by every bale of cotton that is manufactured within the States; by every ship that is built; by every plough that is made; in fact, by every article that is manufactured within our limits.

This policy, *the true* AMERICAN SYSTEM, has been warmly urged by Secretaries Hamilton, Rush, Meredith, and other heads of the Treasury Department. Mr. Rush has said, in one of his able communications to Congress, upon the condition of the country in 1824 – 1826, — "This substantial prosperity is the result of the general industry, fostered by good laws, and a just economy in the public administration, — laws which, by enlarging the home demand for the productions of the soil, have aided in supplying deficiences in the foreign demand, and which, by superadding to exports the results of manufacturing and those of agricultural labor, have tended to open new avenues to external traffic."

"The Reports from this Department, within these four years, have respectfully, but earnestly, urged upon Congress the expediency of fostering

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manufacturing labor, under the conviction, deeply entertained, that in its success is largely to be found the true groundwork of financial power. It will ultimately unfold the means of providing revenue for the public wants, when war or other external events, not to be controlled, may abridge foreign commerce. . . . . The merchant, like the manufacturer, requires, at proper junctures, the helping hand of Congress, and may suffer without it. Hence it has been the object, as it was the duty, of the Department, to invoke legislative favor for both these great interests, under the belief that they flourish most when they flourish together; that, in proportion as both flourish, in conjunction with agriculture (the invariable feeder of both), is the public treasury most likely to be kept full; and that all plans of finance, that do not take the coöperating prosperity of these three primary interests of the state as their foundation, must prove fallacious or short-lived. Such were the counsels of a departed statesman, whose name peculiarly lives in the records of this Department, — who was first placed at its head, directing its operations with a forecast so luminous as still to throw a guiding light over the path of his successors. His comprehensive genius, looking into futurity, and embracing in its survey all the interests that go to make up the full strength and riches of a great empire, saw the truth, now in course of corroboration by our own experience, that the protection and increase of manufacturing labor, far from stopping the springs of our commercial power, would but multiply and diffuse them."

Here is much truth added to sound political economy in a few words, and it is a matter of deep regret to those who wish such measures engrafted upon the general policy of the country, that our existing tariff was framed without a due regard to these domestic claims. That the South is awakening to the importance of domestic manufactures, as a substitute for foreign labor, may be seen by the following extracts from an editorial article in one of our leading Southern papers (the Charleston Mercury). The sentiments contained in this extract are in keeping with those of our most able heads of the Treasury: —

"*Encourage your own Mechanics.* — Do not send abroad for help if you have work to do, when it can be done in your own neighbourhood, — perhaps at your next door. Encourage your own honest, industrious, faithful mechanics. They need all the work they can get. By such a course, you keep money at home, assist the worthy, and have just as good work performed. It is the only way to make a town prosperous, — to support your schools and churches. Where there is a disposition to send a hundred miles for articles that, to say the least, could be manufactured as well at your own door, there will always be little or no business done in the place, — the churches will be thinly attended, and all kinds of labor extremely dull. Wherever mechanics are the best employed, prosperity is seen, — the social virtues predominate, travelling mountebanks and peddlers retire in disgust, and a kindly, brotherly feeling is experienced, which is the source of unspeakable happiness.

"Whatever you have to be done, look around and see if your neighbours cannot do it. If you have a house to build or a shoe to tap, a harness to be made or a pump to be bored, a pack of business cards to be printed or a well to be dug, just look among your neighbours, before you undertake to send abroad; and if you have none around you capable of the task, it will be time enough to look elsewhere. It is a

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wrong idea, to suppose nothing is serviceable that is made at home. We know of many instances where men have refused to purchase work made by their neighbours, and sent to a distant city for the articles they needed, and paid a third more for them, when, behold! they had been manufactured and sent away to sell by the very neighbours of whom they refuse to purchase.

"Let it be the motto of all, — I will encourage my own neighbours. In turn you will be encouraged also. A mutual feeling of good-will and kindness will spring up in your midst, and prosperity will be observable in every street and every dwelling."

The same principles applied to our foreign trade (and they apply to one as well as the other) would place upon a more permanent footing the great American system. We would place such restrictions upon foreign goods as would enable our own manufacturers to compete with cheap foreign labor and cheap foreign capital. Our manufacturers consume the products of agricultural labor, — our agriculturists, north and south, east and west, should consume the products of our own spindles.

When free trade shall be adopted by European states, it will then be ample time to engraft such a policy upon our own country; but when we find that Great Britain levies a duty of nine millions sterling upon three articles that are the growth of North America, while the aggregate custom-house revenues of the United States are no more, it would seem to be sound economy that we should take care of ourselves. The three articles we allude to are sugar, molasses, and tobacco, the duties on which, in the year 1848, were as follows: —

Tobacco and snuff, ...	£4,350,000	or $21,750,000
Sugar and molasses, ...	4,741,000	or 23,705,000

being forty per cent. of the aggregate duties realized for the year by Great Britain.

The true policy of the South is identical with that of the North, and "they will flourish most when they flourish together." We are one large family, bound together by the strongest ties, and whatever injuriously affects one will in a similar degree affect the other. Let each State foster the labor of its own people, and purchase of other States whatever is not produced within its own limits. And the industry of the whole should be fostered by the helping hand of Congress, or, as Mr. Secretary Meredith says, "I entertain no doubt of the rightful power of Congress to regulate commerce, and lay imposts and duties *with the purpose of encouraging our own industry.*"

In broad contrast with these self-protecting notions we find the following remarks upon our tariff in the London Times. We republish the article entire, in order to show the important light in which this country is held as a purchaser of English goods. The two countries are so differently placed in regard to labor and capital, that no one system can be adapted to both. We are bound to protect our own manufactures to such an extent as will compensate for the extra cost of capital and of labor in our own country, until these two material items of cost are more upon a level with those of Europe. It has been very justly said, that the material happiness of a people is greatest when the national wealth is increasing more rapidly than the population; *when the demand for labor is ever in advance of the supply.*

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THE UNITED STATES TARIFF.

From the London Times, September, 1850.

THE advocates of what are called protectionist principles seldom attempt to apply them universally, or to estimate the consequences that would follow the adoption of their doctrine by all nations with respect to every commodity which was supposed by those who produced it to need protection. In each country the protectionist chooses a particular article, which he endeavours in spite of nature to produce, by excluding competition, — at great cost obtaining an inferior commodity. But with respect to all others except this one article of his peculiar affection, he leaves them to make their own way. This policy, however, is never pursued without plausible pretences. In no one case does any one propose plainly to protect a particular production on the plea that, if such a system be not adopted, the public will get a better and a cheaper article from abroad. Some great political end is said to be the real object to which the plan of restriction is to contribute, and thus the public are persuaded to put up with a clear and undeniable loss, in the hope of reaping some undefined and shadowy benefit.

The American tariff is based upon a theory of this description, and is certainly distinguished by an approach to consistency throughout. In precise proportion to its consistency, however, is its departure from the plain dictates of common prudence; and every victory on the part of its friends is an additional triumph over the native, shrewd good-sense of our Transatlantic brethren. The objects sought to be obtained by the tariff are two; — first, to collect a revenue to meet the current expenses of government, and next, to create home manufactures: the latter being in the minds of many the chief purpose, — for which it was originally proposed and is now maintained. The supporters of this fostering scheme acknowledge, without hesitation, that at the outset it must entail loss to the community; but they assert that in time the country will, by the annual expense incurred in the process of home manufacture, obtain within itself a great manufacturing power, — that this will be able at no distant period to compete with all foreign rivals, either at home or abroad; and that in the mean time, to gain this great end, the nation does wisely to bear the cost which the tariff proposes.

A theory like this, employed in one instance as a justification for a peculiar class of imposts, becomes a dangerous precedent, as it can be applied to every species of production, and it is impossible to assign the precise limit that should be put to the expense at which it should be carried out. By what rule are we to determine the amount which the nation may wisely pay to obtain the power of exclusive home manufacture? And if the state begins thus to interfere with the natural growth of manufactures, when can it say the protection asked for in this case is needed, not because of the local and peculiar difficulties in opposition to which the manufacturer is attempting to produce a given commodity, but because of his own want of judgment or skill? How can the legislature avoid becoming a check upon ingenuity, energy, and prudence,

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while endeavouring to supply the aid derived from natural advantages and a long established system? This question at the present moment forces itself upon the Congress of the United States under somewhat remarkable circumstances. The present prosperous condition of trade has filled the national exchequer. So far, then, as regards revenue, the objects of the liberal tariff have been accomplished. At this precise period, however, a cry is raised by the iron and coal interests of Pennsylvania, which insist upon the necessity of further protection in the shape of an increased duty on all imported coal and iron, — pointing, in justification of their demand, to the prostrate condition of the trade in both of those products throughout Pennsylvania. The answer given to this demand demonstrates the mischief which is necessarily the result of this attempt to foster home production. One member, a representative in Congress of the State of Pennsylvania, presents the petitions and advocates the claims of the iron and coal merchants, his constituents. His colleague, evidently representing the interests of the community in his State, declares that the distress of which the merchants and producers complain is only attributable to over-trading, and adduces the similar condition of similar interests in England as an illustration in support of his assertions. The argument, put into other words, would in fact be this: — The present difficulties under which the trade now labors are not the result of any natural inferiority, but of want of prudence; the present amount of unsold and unsalable produce is not the effect of foreign competition, but of over-production. It is not that England can produce so much more cheaply a better article than is produced in America, but because more has been produced in America than the community requires. This argument, however, if good as a reply to the present demands of the Pennsylvanian coal and iron interests, is valid as against any protection of these articles. The people of the United States raise against themselves the prices of these two most important articles, simply to give an undue value to the lands in which the coal and iron are found, and thus to enrich a few individuals at the expense of the whole community. In these cases there is no skill to be attained and fostered which might be supposed to be of impossible attainment without some such assistance. If England can produce these articles with less expense of labor and capital, it is because labor is cheaper with us than in Pennsylvania, and the natural difficulties to be overcome are smaller here than there. The skill of the engineers and workmen is equal in all respects, and therefore no such national object as that proposed by the chief supporters of the tariff can be obtained by prohibitory duties on these two great articles of consumption.

This view of the subject seems to have been taken by those who adduce the flourishing state of the customs of America as a reply to those who seek to increase the restrictions of the tariff. For a flourishing report from the customs means that a great foreign importation has taken place, and that, in spite of the attempts made to foster native productions, foreigners can still successfully compete with them; and that in so far one object at least of the tariff has not been obtained. If, indeed, we put aside all consideration of creating a native system, then the flourish-

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ing state of the customs is a symptom of unmixed good. It shows that the indirect system of taxation adopted by the American people obtains the revenue needed without leading to the exclusion of the cheaper and better foreign productions which they need, — and if revenue only, and not protection, be the object sought, the wise plan in such a case would be to tax home and foreign productions alike. By such a course no expense would be thrown away upon unprofitable, i. e. less profitable labor; and capital, if employed in the United States under such circumstances in the producing of iron and coal, would be so employed, because it could compete with foreign capital engaged in the same way in foreign countries. The American people would, by such a system, reap the full benefit of all the wonderful natural advantages which their country confers on them. Capital, under the direction of individual interest, skill, and industry, would flow to the most productive employments; the difference of price produced in all commodities by the tax would all go to the exchequer, and would not, as it now is, be in great part thrown away in useless expenditure.

A CHAPTER ON DIAMONDS.

From the London New Monthly Magazine.

Gold threatens to become quite common, so much so that it may possibly, but not very probably, become as vulgar to have a sovereign in one's pocket as to have a farthing. Diamonds, on the contrary, have ever retained their pristine rarity and value. The discovery of a large diamond has ever constituted a page in mineralogical history; and as if all the little diamonds were concentrated at the last into one, or the dying flicker was the brightest flame, the elimination of a large diamond has generally worked the decay of a mine. Golconda was scarcely ever heard of after the discovery of the Koh-i-nur. The history of a large diamond is also far more curious than could be imagined, and the possession of such has even affected the fate of Oriental kingdoms.

True, that modern chemistry has endeavoured to reap advantage from the wondrous discovery made by Sir Isaac Newton, — purely from the optical properties of this invaluable gem, — that it was of a combustible nature; and that, with the resuscitation of alchemical powers of old, by means of powerful galvanic batteries it has endeavoured to assimilate its elements into a similar compound; but success has not hitherto attended the efforts made to that effect. The all-powerful electric current was made to reduce this hardest and most brilliant of precious stones to mere gaseous products, confirming that which had been before premised, that its basis was carbon, — the chief element of vegetable, and not mineral matter; but no amount of ingenuity, science, and skill has succeeded in converting gaseous or solid carbon into diamond. A variety of circumstances have thus combined to give permanence to the value of this most singular precious stone, to leave the "Mountain of Light" with scarcely

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a rival; to sustain the pecuniary, if not the moral and political, value of the Nishan, and even to impart a factitious interest to a prince from the Highlands of Hindustan.

This valuable stone seems to have been known from the most remote period of antiquity. We find that it was associated along with the emerald and the sapphire in the second row of the twelve precious stones on which the names of the children of Israel were engraved, "every one with his name according to the twelve tribes," and these were set in the breastplate of judgment worn by the high-priest. It has been supposed, that, as distinct names have been given to swords, to the two pillars that were reared in the porch of the Temple at Jerusalem, and to the two chief diamonds of the East, the "Mountain of Light" and the "Sea of Glory," the Urim and Thummim, which adorned the breastplate of the high-priest when he went into the "holy of holies," were also diamonds. But the researches of Egyptian archæologists have established that these were small oracular images, similar to the Teraphim, personifying revelation and truth, and derived, according to Sir Gardner Wilkinson, from Thmei, the Egyptian Goddess of Truth and Justice, generally represented as a double person, or, according to Arundale and Bonomi, of Rê, the sun, and Thmei, truth, as on the breastplate worn by the Egyptians.

A diadem, to which succeeded crowns, was originally a simple fillet, fastened round the head, and tied behind. Among the Jews, the diadem was worn by the high-priest; sometimes a diadem, sometimes a crown, by the kings. The state crown (atarah) was of gold, set with jewels. Such was the crown which David took from the king of the Ammonites (2 Samuel xii. 30), and afterwards wore himself, as did probably his successors. The more ancient Egyptian sculptures represent royal crowns in the shape of a distinguishing tiara, cap, or helmet, without gems; but the head-dresses of the Assyrian kings, disinterred by Layard, exhibit high mitres, or tiaras, evidently adorned with jewels, among which was most probably the diamond. Many other ancient Asiatic crowns exhibit the same appearance. The crown in the time of the lower empire was a fillet, tied in a knot behind, and adorned with pearls and diamonds, either in a single or a double row. The diadem thus decorated may be observed on some of the coins of Constantine and Jovian.

The diamond has continued almost ever since to constitute an ornament to the royal head-dress. On days of high ceremony, the empress of Russia was wont to wear a crown of diamonds, and the collars and two stars of the Orders of St. Andrew and St. George emblazoned in her vest. It does not appear that there were any diamonds in the crown regalia of Hungary, and which used to be watched by two keepers night and day, till forcibly removed by the over-zealous patriots of the last insurrection. The crown of St. Stephen was of pure gold, and weighed fourteen pounds. It was decorated with fifty-three sapphires, fifty rubies, one emerald, and three hundred and thirty-eight pearls.

The profusion of diamonds at Oriental courts is well known. The general and ambassador from Nepaul, and his brothers, have been lately astonishing the Londoners with their displays of precious stones. In

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Persia and in Turkey, all military and civil decorations abound in diamonds. A snuff-box for an acceptable present must be set with the same costly gems. The court of Russia still retains, likewise, many traces of Asiatic pomp, blended with European refinement. Coxe, in his travels, says, — "Amid the sumptuous articles which distinguish the Russian nobility, none, perhaps, is more calculated to strike a foreigner than the profusion of diamonds and other precious stones which sparkle in every part of the dress. In most other European countries, these costly ornaments are principally appropriated to the ladies; but here the men vie with the fair sex in the use of them. Many of the nobility were almost covered with diamonds; their buttons, buckles, hilts of swords, and epaulets, were set with diamonds; their hats were frequently embroidered, if I may use the expression, with several rows, and a diamond star on the coat was scarcely a distinction."

At the drawing-rooms held by Queen Victoria, the same precious stone is often displayed in no small profusion, and some ladies might on such occasions be almost said, in the language of the poet, to be "walled about with diamonds." Yet diamonds are costly things when small, as well as large. The dowager queen of Spain had a necklace and earrings reset in France, composed entirely of brilliants, which cost half a million of francs. Doubtless, at routs and assemblies many figure away in factitious show, —

Faux brillants, et morceaux de verre,

as Boileau has it, — but real diamonds can seldom be mistaken; there is a sparkling lustre and luminous brilliancy, which so far transcends all other gems, that those who have once seen will easily recognize them again. The cymophane (chrysoberyl or chrysolite) is the only gem that can compete with it.

The Greeks called this gem "adamas," unconquerable, from whence our "adamant." It was esteemed victorious over fire, and capable of resisting the hardest things. The test of a diamond, in the Brazils, is said to be, to resist the strongest blows of a hammer when placed in a stone. A talisman among the poetic Easterns, it was esteemed by the Romans favorable under the planet Mars. The notions of the ancients about diamonds have, indeed, been always full of the mystical. According to Pliny, there existed between the diamond and the magnet a natural antipathy. By the alchemists it was supposed to cure insanity, and to be an antidote to poisons; and yet, strange to say, Paracelsus is recorded to have been poisoned by diamond-powder. It having become a common saying that a diamond was softened and broken if steeped in the blood of a goat, Sir Thomas Brown averred, in his anxiety to correct so vulgar an error, that a diamond being steeped in goat's blood rather receives thereby an increase of hardness!

From the extreme brilliancy of the diamond, and its purity, it was consecrated to all that was celestial, and, accordingly, supposed that it would triumph over all means employed to subdue it, the solar ray excepted. It did triumph, indeed, over the hot furnaces to which it was exposed in the crucible of the alchemist; but the spell which united it to

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the sunbeam is now dissolved, and it has yielded to the severity of the torture and inquisition of modern curiosity.

Newton, we have seen, reasoning from its great density and high refractive property, concluded that the diamond was combustible, or, to use his own language, "an unctuous substance coagulated," though he was, in some measure, anticipated by Boetius de Boot, in 1609. The event has amply verified this conjecture, and the Tuscan philosophers and the Honorable Mr. Boyle ascertained the fact. The first grand experiment to prove the combustibility of the diamond took place in the presence of Cosmo III., Grand Duke of Tuscany, wherein the diamond being exposed in the focus of the great lens (still in the Grand Duke's laboratory at Florence), it was entirely volatilized, thus corroborating the ancient tradition that the solar ray would triumph over it. Guyton de Morveau, and others, consumed the diamond; and it was readily dissipated in the focus of the great mirror of Tchirnhausen, as Murray believes it subsequently was in that of Parker's burning-lens. In the year 1771, Macquer observed the diamond to inflame. Guyton de Morveau had proved that the diamond was destroyed when projected into red-hot nitre; and it was also burnt by means of melted nitre in a gold tube, by Mr. Tennant. When fragments of diamond were introduced into the brilliant arch of flame evolved between points of charcoal in the galvanic batteries of the Royal Institution, consisting of 2,000 double plates, and exposing a surface of 128,000 square inches, they rapidly disappeared, being completely volatilized. The diamond may be easily consumed, Murray also tells us, by being placed in a cavity of charcoal, and urging on it the flame of a spirit-lamp, by means of a stream of oxygen.

So far the combustibility of the diamond was completely ascertained, but its nature remained still undetermined. Lavoisier had proved and pointed out that carbonic-acid gas was evolved as a product both in the combustion of the diamond and that of charcoal, and thus their identity was inferred. The researches of Clouet, Messrs. Allen and Pepys, and others, have confirmed this conclusion. Sir George Mackenzie converted iron into steel, by powdered diamonds. Mr. Children's immense battery consisted of twenty triads, each six feet long by two feet eight inches broad, exposing a total surface of thirty-two feet; when iron, with diamond-powder interposed, was exposed to its influence, the iron was converted into steel, and the diamond disappeared; and, Mr. Smithson Tennant having placed a diamond in a gold tube, supported in a state of incandescence, a stream of oxygen, by means of gentle pressure, was made to traverse it, and the result proved that the oxygen was transformed into an equal volume of carbonic-acid gas, which was found in an opposite receiver, resting over mercury. Sir Humphrey Davy, when at Florence, made some experiments with the Grand Duke's burning-lens on the combustion of the diamond. He found that when the gem was introduced into a glass globe supplied with oxygen, and kindled by the lens, it continued to burn after it was removed from the focus; the oxygen was supplanted by an equal volume of carbonic-acid gas, while there was no deposit of aqueous vapor. On the other hand, when plumbago and charcoal were consumed under similar circumstances, there was a sensi-

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ble diminution of volume, and also a formation of watery vapor, clearly proving that the latter contained hydrogen. Experiment has thus unequivocally demonstrated that the diamond is pure crystallized carbon.

We have before observed that attempts have been made, both by means of the galvanic battery and the compound glass blowpipe, to form diamonds artificially; but the attempts have as yet met with no greater success than the endeavour to make the Unio margaritifera, or Meleagrina margaritifera, from pearls at command. These mollusks either would not obey the commission, or the pearls they did produce were misshapen, unsightly, and worthless.

The diamond is the hardest of all known bodies; it cuts the hardest crystals, even rubies and sapphires, and the Oriental amethyst. Nothing but diamond-powder, obtained by rubbing two diamonds against each other, can polish it; and it is cut by fragments of diamond set in a maul. It requires a temperature of 5,000° Fahrenheit for combustion. When exposed to the sunbeam, and carried afterwards into darkness, it exhibits phosphorescence; and it is said that such diamonds as do not display this peculiarity may be made to do so by dipping them into melted borax. It becomes phosphorescent also when fixed to the prime conductor of an electrical machine, and a few sparks are taken from it. The primitive form of the diamond is the octohedron; hence its varieties are usually curvilinear polyhedrons, with a lamellar structure, the joints being parallel to the faces of the octohedron. The specific gravity and comparative hardness vary, but the former is generally estimated at 3,500, water being 1,000.

Tradition has always associated the diamond in some mysterious manner with the sun. We have seen that it was supposed that it would triumph over all means employed to subdue it, the solar ray excepted. Science has, to a certain extent, corroborated tradition in fusing it by means of the lens. It becomes, as it were, impregnated with an excess of solar light, and carries it as a so-called phosphorescent body into the dark. Its refractive power exceeds that of any other body. Under an angle of incidence exceeding 24° 13′, it refracts every glimmer of light, which gives rise to its unrivalled brilliancy. It seems, in fact, as if it were an intimate union of a ponderable and an imponderable, and that it embodied in itself the three kingdoms of nature. It is vegetable, by its basis of carbon; it is united to the world of imponderables by its incorporated light; and the resulting compound belongs, by its hardness, &c., to the mineral kingdom. As if so precious a compound could only be generated where the solar ray is most energetic, its habitat has also been, until lately, confined to localities ranging within the limits of 18° on either side of the equator, in Asia and South America.

It is fair to observe, in opposition to these somewhat imaginative views, that some philosophers are content to look upon the diamond as the humble product of vegetable secretion, like amber. As silica is abundantly secreted by some grasses, and carbonate of lime by some of the chara tribe, as semi-opal has been met with in the joints of the bamboo, and wood-stone in logs of teak-wood, so it has been suggested that the diamond may be also a secretion from some patriarch and antediluvian

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boabab or banian tree. The diamond, it is to be observed, is not found in rocks, but only in detritus, as gravel or mud conglomerates in beds of rivers and deep ravines on the slopes of mountains.* Linschoter asserts, that in the East Indies, when they have cleared the diamond-mines of all they can find, a new crop is produced in a few years. This, we need not remark, is more than problematical; yet certain it is, that, at the present day, no one knows where the diamond comes from, and all we do know is, that it has not been found in a rock, like all the other minerals, and that it is a compound, as before observed, of the basis of all vegetable matter, and of solar light.

In Asia, the diamond has been found most abundantly in the territory of Golconda and Visapoor, in Bengal, in the central and southern parts of India proper, in the peninsula of Malacca and Island of Borneo; in America, mainly in the Brazils. In India, the diamond is found in a species of indurated ochrey gravel; in the Brazils, it is found in loose gravel, consisting principally of rounded quartz pebbles, mixed with sand and oxide of iron, and accompanied with blue, yellow, and white topazes (Nova Mina diamonds). Diamonds have also been found in conglomerates of recent volcanic origin, called amygdaloids by geologists. Diamonds have been recently discovered on the western declivity of the Ural Mountains, in gold and platinum sands, and a diamond is reported to have been found in Ireland, in the bed of a brook flowing through the district of Fermanagh, — probably a white topaz. †

When diamonds are colored, it is by the presence of some adventitious substance. The various tints of yellow are supposed to be produced by the oxides of iron or manganese, and green by oxides of nickel or chromium, as in the case of the Oriental sapphire, the spinelle, ruby, and emerald. Diamonds have been met with of brown, blue, yellow, gray, red, green, and even black colors.

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* The celebrated traveller, Marco Polo, relates of the diamond mines in the kingdom of Mursili, that the natives ascend the mountains in the summer-time, "though with great difficulty, because of the vehemence of the heat, and find abundance of those precious stones among the gravel. In this they are likewise much exposed to danger, from the vast number of serpents of enormous size, which shelter themselves in the holes and caverns of these rocks, where, nevertheless, they find diamonds in the greatest abundance. Among other methods of obtaining them, they make use of this: there are abundance of white eagles that rest in the upper part of those rocks, for the sake of feeding on the serpents; and in the deep valleys and precipices, where men are afraid to venture themselves, they throw pieces of raw meat, which the eagles, perceiving, immediately stoop and seize it, with all the little stones and gravel that adhere to these moist pieces of meat. Such as search for diamonds watch the eagles' nests, and when they leave them, pick up such little stones, and search likewise for diamonds among the eagles' dung." The well-known Julius Cæsar Scaliger was extremely offended with this relation; but Pinkerton justly remarked upon it, that the Venetian was imposed upon by the natives, who were anxious to preserve the trade in their own hands, and to deter strangers by such fables (the Oriental origin of which is manifest enough) from attempting the search themselves.

† According to Heeren, diamonds were an article of commerce carried on between the Carthaginians and the Etruscans; and there is every reason to believe that there are mines of diamonds in inter-tropical Africa, which are quite unknown in the present day.

(*Conclusion in our next No.*)

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BANK STATISTICS.

DISTRICT OF COLUMBIA.

Bank of the Metropolis, Washington, D. C.

LIABILITIES.	*Feb.*, 1846.	*Sept.* 11, 1850.
Capital Stock paid in,	$ 500,000	$ 353,300
Profit and Loss,	42,950	67,274
Individual Deposits, including dividends unpaid,	294,646	385,431
Circulation,	147,425	99,117
Public Deposits,	7,347	3,060
Bank Balances,	50,414	64,790
Total Liabilities,	$ 1,042,782	$ 972,972

RESOURCES.	*Feb.*, 1846.	*Sept.* 11, 1850.
Bills and Notes Discounted,	$ 700,992	$ 619,488
Real Estate,	41,034	50,366
Bank of Metropolis Stock,	51,900	. . .
Corporation and other Stock,	14,000	10,316
Bank Balances,	77,238	162,141
Notes and Checks of other Banks,	37,9	13,493
Specie on Hand,	119,703	117,168
Total Resources,	$ 1,042,782	$ 972,972

☞ The charters of all the banks in the District of Columbia expired some years since, and Congress refused to renew them. They are now, in fact, private banks, being in the hands of trustees for the benefit of the stockholders.

SOUTH CAROLINA.

Bank of Georgetown, Georgetown, S. C.

LIABILITIES.	*June* 8, 1846.	*June* 29, 1850.
Capital paid in,	$ 200,000.00	$ 200,000.00
Circulation,	322,786.00	350,207.00
Individual Deposits,	30,204.28	37,008.55
Surplus Fund,	13,183.86	38,829.17
Total Liabilities,	$ 566,174.14	$ 626,044.72

RESOURCES.	*June* 8, 1846.	*June* 29, 1850.
Notes Discounted,	$ 200,129.46	$ 194,815.32
Suspended Debt,	10,983.17	8,268.27
Exchange on New York and Charleston,	198,774.68	180,210.71
Specie on Hand and Balance in New York, &c.,	141,086.83	234,750.42
Bonus and Bank Fixtures,	5,200.00	2,500.00
Real Estate,	5,000.00	5,500.00
Bank Stock taken for Debt,	5,000.00	. . .
Total Resources,	$ 566,174.14	$ 626,044.72

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THE LONDON STOCK EXCHANGE.

From the London Bankers' Magazine. — Continued from Dec. No., 1849, p. 445.

HAVING described in our last number the operations of a "*Bull*" speculator on the Stock Exchange, we ought now, perhaps, to notice the course of proceedings adopted by his "natural enemy," the "*Bear*"; but as the various transactions incident to a Bear account would require more space for their explanation than we can afford this month, we shall reserve the *Bear* for description in our next number; confining our present notice to a species of Stock Exchange operation, which those who are unacquainted with the peculiar business of Capel Court may find interesting.

Many of our readers have, no doubt, seen occasionally in the "City Articles" of the daily journals a paragraph of this kind: — "As an indication of the state of feeling in the market, we may notice that an extensive jobber offered one fourth per cent. for the '*put*' of a large parcel of Consols for the next account"; or that "the '*call*' of £ 50,000 of Consols was given by a jobber to-day at one eighth for the account." The *put* and *call* referred to in those paragraphs are the terms used to express the operations of the *jobber*, who agrees to *accept* or to *deliver* the amount of stock specified, on the next account-day, for the percentage agreed upon. When he sells an *option*, he agrees to either accept or deliver a specified amount of stock at the prices stated when the option is taken, at any time during the continuance of the account. In explanation of the transactions referred to, we will notice each separately.

Suppose a party, unwilling to risk an indefinite sum on a speculation in the funds, by either buying or selling for the account, has reason to think that the quotations of the funds will improve considerably in the course of a short time, and is anxious to turn the matter to his advantage. He may, in such a case, do so, by purchasing the *call* of a jobber, by which means he has a fixed limit to his loss in case his opinion should turn out to be incorrect. Consols are, say, at the quotation of 92, and the speculator wishes for the call of £ 10,000 stock: he sends his broker into "the house," who inquires of a jobber at what rate he will sell the *call* of £ 10,000 for the next account; in other words, he inquires at what rate per cent. the jobber will undertake to deliver this amount of stock at the settling, or pay the difference in price between that which may be agreed upon at the time the *call* is taken, and the quotation on settling-day. The jobber will, perhaps, say that he will give the *call* of £ 10,000 of Consols at 93 for the account-day for one eighth per cent., being £ 12 10*s.* on the amount of stock specified. If these terms are agreed to, the transaction will stand as follows, as regards the party who makes the speculation with the jobber. If, at any time before the account-day, the funds should rise from their price of 92 to any price above 92, he can "call" upon the jobber to deliver the stock at the advanced price, or pay the difference. Hence, if the price rose to 94, he

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would gain one per cent., or £100 on £10,000 of stock; whereas, if the price during the continuance of the account at no time exceeded 93, he would lose the £12 10*s.* paid for his right to call, as he, of course, would not call for the stock if it fell below the quotation fixed as that at which his profit was to commence.

A person who buys the right to *put* an amount of stock on the jobber, is in an exactly opposite position to the man who buys the *call*. The latter is a *Bull*, and expects a rise in prices; the former wishes to have the opportunity to put an amount of Consols at the price fixed, because he expects a fall below that price, and is accordingly a *Bear*. If the jobber does not expect a decline in prices during the time the account continues of more than one per cent., he may give the right to *put* £10,000 of Consols on the same terms as the jobber who took the *call* for £12 10*s.* The speculator, therefore, purchases the chance of gaining the percentage to which Consols may fall below the price agreed on with the jobber, — say 91. This price is one per cent. below what we have supposed to be the market price of the day, and until that limit be reached, therefore, the speculator can gain no advantage from his right to *put*.

If a speculator wishes to take the chance both of a rise and a fall, he purchases of a jobber "*an option for put and call*"; that is, the right to either call for or put a certain amount of stock at the prices which may be determined on. In the case supposed, if the option is taken by the jobber at one eighth per cent., the speculator, for a sum of *twenty-five pounds*, can call upon the jobber to deliver or accept of £10,000 Consols at any price above or below the quotations agreed on, — say 93 for the *call*, and 91 for the *put*, and at any time during the continuance of the account.

The settling-days are now once a month, and the terms required for an *option* depend of course on the time of the month when the transaction takes place, and on the probability of fluctuations. If the account-day is to happen within three or four days from the date when the *option* is bought, the risk of loss to the jobber is proportionably less than when a longer period, with greater chance of fluctuations, has to elapse; and if the market is steady, and the condition of affairs abroad and at home satisfactory, the percentage asked by the jobber is proportionably less than when matters are unsettled. When this is the case, the jobbers rather decline *options*, or only grant them at high rates, in the same way as an underwriter increases or diminishes his rate of premium according to his risk of loss by weather or a foreign enemy.

Some of the jobbers who deal in *options* occasionally, we believe, grant them from the *price of the day*, without fixing themselves the quotations at which the put and call are to come into operation; but when this is done, except the account-day is very close at hand, a higher percentage is charged, in consequence of the greater chance of fluctuation. The rate also depends always on the jobber's opinion of the probable future condition of the market. If he expects a fall, he will sell the *call* at a much lower rate than the *put*, his object being always to have a wide margin when he thinks the risk is greater than usual.

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BANK LIBRARIES.

From the London Bankers' Magazine, 1849.

"AMONG the means of training clerks for superior offices we give a high rank to the formation of a library of banking books, to which the whole of the establishment shall at all times have access." This observation is taken from the new edition of Mr. Gilbart's "Practical Treatise on Banking," and we think we shall render a good service to the banking interest by placing the subject more prominently before our readers.

It is unnecessary to prove that books on banking must be useful to those who are engaged in the business of banking; but every one who is thus employed has not the means of purchasing a library, nor is it necessary. The same book may be read by a hundred persons, and impart as much information to each as if he were the only reader. To peruse a collection of books is, therefore, the most efficient and the most economical means of imparting knowledge to the present and future members of a banking establishment; and as the bank will derive great advantage from the knowledge thus diffused among its officers, it seems only just, as well as kind, that the library should be supplied at the expense of the bank.

We may be told that every manager has already a collection of books on banking. Be it so. We say nothing of the tax thus imposed on the manager. A greater evil is, that these books are locked up in the manager's bookcase. They are never read by either the directors or the clerks. The manager may have read them through once; and then, perchance, they have been elegantly bound and placed as pieces of upholstery to adorn his private rooms. Had they been the property of the bank, they might have imparted to each director, and to each officer of the establishment, as much information as they have imparted to the manager. By subsequent conversation their knowledge would have been still further increased; and should the manager, by death or retirement, leave the bank, the books would remain for the use of the future managers and future clerks.

We have been sometimes asked to furnish a catalogue of books on banking, sufficient to form a library. This is not necessary. The plan we would recommend is, that the directors vote £20, £10, or even £5 A YEAR to the purchase of books for the use of the office, leaving the choice to the manager. Having but a small sum to lay out, he will be careful in the selection; and as the *new* books will never be numerous they are the more likely to be read. In a few years it will be found that this small beginning has grown into a respectable library. When the manager is in possession of a good many books, it will perhaps be better first, that the books should be purchased from him, such as he is willing to part with. The books he has bought for his own use are likely to have been well selected; and afterwards it will be easy for him to ascertain from his own experience, from general report, from conversation with other managers, from advertisements and reviews, what additional

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books it is most advisable to obtain.* The grand point is to make a beginning.

But whether the library be large or small, it should always have a librarian. Some one person should have the custody of the books, and keep an account of the party to whom each book is given out, when given out, and when returned, in the same way as such accounts are kept by book societies. The books may thus circulate among the branches of the banks, as well as at the head office. Or a large branch might have a separate library.

It will perhaps be objected, that all these facilities may be rendered useless from the want of inclination to take advantage of them. And we may be reminded of the old proverb, that "one man can take a horse to water, but ten can't make him drink." It will be seen that we have not recommended any expensive machinery. In any case the loss cannot be great. We are willing, however, to admit the facts contained in the objection, and to adopt the comparison. The practical application is, that the directors may provide a library, but they cannot compel the clerks to read. If they had this power, they would act unwisely to exercise it. Clerks that will not read about their own business, except upon compulsion, will never be worth the trouble; but we believe it is found that when a horse is taken to water he usually does drink: the very sight of the water tends to create or quicken the desire. This may not be the case at all times with every horse; and as we cannot know beforehand which horse will drink, the best way is to provide water for the whole. But of ten horses is it not better that nine should be brought to the water and not drink, than that even one should die of thirst? If only one tenth of the officers of the bank avail themselves of the proposed library, will not the expense be abundantly repaid? In reply to this question, we shall make another quotation from the work to which we have referred. "It is a great advantage to a public company to have educated servants. Their superior knowledge is always useful; the mental discipline they have acquired improves their business habits; and possessing within them a constant source of enjoyment, they are the less likely to indulge in those expensive pleasures which are the usual temptations to neglect and dishonesty."

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* We observe that Mr. Gilbart has noticed in terms of commendation the following works: —

The Statesman. By John Taylor. Longman.
The Philosophy of Joint Stock Banking. By G. M. Bell. Longman.
The Banker's Clerk. Knight.
Chapters on Country Banking. By J. R. Rogers. E. Wilson.
The Anatomy and Philosophy of Banking. By James Strachan. Groombridge.
Letters to a Branch Manager. By Thomas Bullion. Published in this Magazine.
The Merchant's Magazine. Published by Freeman Hunt, at New York. It may be obtained from Mr. Putnam, American bookseller, Paternoster-row.

To these we may add the following: —

Gilbart's Practical Treatise on Banking. 2 vols. Longman & Co.
M'Culloch's Commercial Dictionary. Longman & Co.
Byles on Bills of Exchange. Sweet & Co.

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NOTE — There are numerous other works which deserve a place in a library intended for bank officers in the United States. Among these we may mention,—

I. The Standard Cyclopædia of Political, Constitutional, and Statistical Knowledge. 4 vols. 18mo. London: H. G. Bohn. $3.50.

II. The Funding System of the United States and Great Britain. $5.

III. Treatise on Banking, the Duties of a Banker and his Personal Requisites therefor. By A. B. Johnson, Esq., of Utica.

IV. J. R. McCulloch on Exchange, Interest, Money, Coins, Bullion, &c. *From the Encyclopædia Britannica.*

V. The American Almanac, 1830–1850. This is a perfect epitome of the financial and commercial history of the States, separately and collectively. There is no good library without it.

Too much stress cannot be laid upon the importance of good books, *as tools of trade*, to young officers of banks. Stockholders would gain by an annual outlay of a few dollars for this purpose. — EDITOR B. M.

THE BANK OF HAMBURGH.

From the London Bankers' Magazine.

THE confusion arising out of the state and nature of the coinage throughout Germany, which prevailed at the commencement of the seventeenth century, was the cause of the establishment of the Bank of Hamburgh. From the low value of some of the coins, and from the superabundance of others which were of no value at all, the imperial dollars, coined according to the standard fixed by the constitution of the German empire, grew every year more scarce, and the actual value of them became more fluctuating and uncertain; and therefore, as these dollars were the money especially used in wholesale business and in the trade in bills of exchange, the merchants were thereby exposed to the greatest inconvenience, and experienced extreme difficulty in the proper transaction of their affairs.

In order to obviate or remove a similar state of circumstances attending the coinage in the Low Countries, a bank had been established at Amsterdam in the year 1609, and the Committee of Merchants at Hamburgh, being desirous of following such an example, addressed themselves to the Senate of that city about the year 1615, praying for the establishment of a Bank of Exchange, for the accommodation and benefit of the commercial interests. The Senate, without hesitation, acknowledged the propriety and suitableness of the proposal, and about four years subsequently, when the assembly of the citizens had definitively given their consent to it, the Bank of Hamburgh was established.

The principle upon which it was founded was, that a person who might deposit in the bank a thousand *specie* dollars of the Empire should be credited with the sum of a thousand and one dollars *Banco;* and further, that a person, who might be disposed to withdraw his deposits from the bank, should be paid at any time without reserve or delay, at the rate of one thousand imperial dollars in cash for 1,001⅓ dollars banco. The actual difference in the value set by the bank between the dol-

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lars deposited and withdrawn was, therefore, at the commencement absolutely inconsiderable, being only five eighths of a dollar per 1,000 dollars; and this margin arose simply in this way: that, inasmuch as the rate paid at the Bank of Amsterdam for the charges consequent on the deposit and withdrawal was one stiver for 1,000 florins, that to be paid at the Bank of Hamburgh should be fixed at 1*s.* for 100 marks, which is also the same as one sixteenth per centum or five eighths per 1,000.

According to a very comprehensive and highly interesting work, "*Ueber Hamburgs Handel, und Statistik des Hamburgischen Handels*," — by Adolph Soetbeer, published at Hamburgh in 1846, — the following appear to be the leading features in the constitution and regulations of the Hamburgh Bank, at the present time.

The Bank of Hamburgh is a transfer deposit bank, the capital of which is composed of bars of fine silver.

All Hamburgh citizens who have been admitted to the superior grade of citizenship, and those members of the Jewish guilds who have paid to the City Chamber a sum of money corresponding in amount with the expenses of admission to that grade of citizenship, are privileged to become depositors in the bank.

The capital of the bank is composed of the bullion which is deposited by the depositors, and which must consist of bars of silver of at least fifteen ounces and twelve grains to the fine mark of the standard of Cologne.

Any person who may be privileged to become a depositor in the bank, and who deposits silver in bars, has an account opened to his credit in the books of the bank, and every fine mark of the standard of Cologne deposited by him is estimated at the rate of 27 marks 10*s.* Hamburgh banco.

An account may also be opened to the credit of a person privileged to become a depositor, by the transfer into his name by another person of the capital which the latter may have deposited in the bank; so that, however numerous the depositors' accounts in the books of the bank may be, the total amount of the silver bullion in the custody of the bank is equal to the total amount of the accounts of all the depositors.

Whenever a depositor has to make a payment to another depositor, he has only to direct that the sum to be paid to him be written off or transferred from his own account, and be posted to the account of such other depositor, in the books of the bank. The peculiar expressions used for this purpose are "*abschreiben*" (to write off), and "*zuschreiben*" (to write or post to). This transfer from the account of one depositor to that of another is effected simply by the person who makes the transfer filling up a form called "*Bankzettel*" (bank-ticket), which he delivers in person.

The bank takes no concern respecting the genuineness of the depositors' signatures; the only thing it attends to is, that the depositors deliver in their bank-tickets, either *in person*, or by an attorney especially appointed for the purpose.

A person, so appointed to act as an attorney, cannot depute another person to act for him; indeed, it is requisite in his case, that, at the commencement of every year, the power by which he has been appointed to

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act be renewed personally at the bank, by the depositor who has appointed him.

It is a rule that no transfer shall be made from the account of one depositor to that of another for a smaller sum than 100 marks, Hamburgh banco. No depositor is privileged to transfer more than the amount which stands to his credit; nor can he transfer any sum which has not stood to his credit *at least for one day.*

Early every morning, except on Sundays and holidays, depositors may send to the bank to inquire whether any, and what, sums have been posted to their accounts on the day previous; and for a small consideration, to be paid to the book-keepers, they may receive that information every evening. By this simple process of writing off or transferring an amount of money from the account of one depositor to that of another, Hamburgh possesses the safest and easiest currency; for as long as any silver bullion remains in the custody of the bank to the credit of any depositor, so long can payments, corresponding thereto in amount, be made from the account of that depositor to the account of another depositor, according to the will of the owner. Sums, which it would be tedious to calculate, are thus transferred by means of a few strokes of the pen; and as the bank is responsible for the correctness of the payments which are made by it, there need be no fear respecting error, or counterfeit coins, or spurious notes; and all receipts for bills and accounts referring to payments which have been made by the bank are therefore rendered unnecessary.

Depositors who are desirous of withdrawing, in silver bullion, the whole or any part of the amount standing to their credit, may do so at any time, when they will receive the sum in bars of silver, estimated at the rate of twenty-seven marks and twelve schillings banco for the fine mark at Cologne.

The amount of the balance standing to the credit of each depositor, and the sums written off from and carried to his account from time to time, are never divulged. Not only the superintendent of the bank, but also the clerks and book-keepers, are sworn to the most scrupulous secrecy; so that a depositor cannot obtain any information respecting the account of another depositor, but only respecting his own.

The government of Hamburgh is never allowed, under any circumstances whatever, to interfere with, or make any disposition of, the whole or any portion of the funds of the bank, as the administration of them is altogether independent of the government, the establishment being subject only to the supervision of the state.

The above are the leading features in the constitution and regulations of the Hamburgh Bank, and the following are the fundamental principles on which it is based:—

1. The funds of the bank being composed of fine silver, the immutability of those funds is secured.

2. The regulation requiring the personal attendance of a depositor, or his attorney, specially appointed, for the purpose of transferring sums from one account to another in the bank's books, insures correctness in effecting such transfers.

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3. As a depositor is not allowed to transfer any sum which has not stood at least twenty-four hours to his account, great regularity and accuracy are secured.

4. By the state of each depositor's account, and the operations effected in it, being entirely confidential, the unrestricted use of the bank is furthered and encouraged; and,

5. The government being precluded from any interference with the bank, is a guarantee for its independence.

In considering the effects produced by the operation of a bank constituted like that at Hamburgh, the first and most essential benefit is stated to be, the easy and perfectly secure state of the circulation. Secondly, that Hamburgh money, both currency and banco, must, as is evident, become, from its unchangeable character, a normal value. And, thirdly, that the regulations of the bank offer the surest preventives against any deficiency or excess in the circulating medium.

As the Bank of Hamburgh foregoes all business operations of every description on its own account, and, therefore, has no occasion to resort to any artificial means to employ its credit, it is an inevitable consequence that, when the bullion in the bank is sufficient in amount to supply the wants of Hamburgh commerce, the rates of discount will rise, and the course of the foreign exchanges will fall, to such a point as to make it profitable to deposit silver in the bank. A deficiency in the circulating medium is, moreover, much more readily perceptible when the treasure of all the merchants is accumulated in one lot, than if it were divided among several private bankers. Again, in the event of an excess in the circulating medium, the stock of bullion in the bank is also in excess; and in this case discounts will fall so low, and the rates of the foreign exchanges will rise so high, that silver may be exported at a profit: the treasure in the bank will, therefore, be in like manner in excess.

In whatever way mercantile speculations may operate, and whatever may be their ultimate effect, the importation and exportation of silver are never the result of any arbitrary proceedings on the part of the bank, but depend entirely upon the existing state of trade, and upon the amount of the circulating medium.

An apparent scarcity of money may, however, exist at Hamburgh as well as at other places, because a number of the depositors in the bank may, in anticipation of a commercial crisis, be prompted to allow their stock of bullion to remain in the bank undisturbed, and therefore useless. But if the substantial character of the banking system of Hamburgh should be found to act in opposition to a fictitious state of credit, it follows as a matter of course that a rise in the rates of discount, and a fall in the course of the foreign exchanges, will soon be the means of bringing back into circulation the capitals which have been withheld, precisely because discounts and the exchanges are regulated without any spontaneous action on behalf of the bank. On this account, therefore, an apparent scarcity in the circulating medium is always but of a very transient character at Hamburgh; while an apparent excess of the circulating medium is not readily perceptible, because all transactions of exchange there are resolved into bars of silver.

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THE HAYMARKET SQUARE BANK.

Reported for the Boston Atlas.

BEFORE THE SUPREME JUDICIAL COURT OF MASSACHUSETTS, AT BOSTON, AUGUST, 1850.

A. S. Chamberlain and others vs. *The Haymarket Square Bank.*

THIS was a petition by Chamberlain, Holden, and Chilson, founded on the statute of 1843, ch. 93, § 9, which provides that

"One eighth of the stockholders, in number, or value, in any bank, may, whenever they consider it necessary, choose a committee of their own number, to make an investigation of its concerns; and if, upon examination, said committee shall be of opinion that the bank is insolvent, or that its condition is such as to render its further progress hazardous to the public, or to those having funds in its custody, or that the bank has exceeded its powers, or has failed to comply with all the rules, restrictions, and conditions provided by law, they shall forthwith report the facts in the case to one of the justices of the Supreme Judicial Court, and if, upon inquiry into the circumstances of the bank, the said justice shall consider it necessary, he may issue an injunction to restrain such corporation, in whole or in part, from further proceeding with its business, until a hearing of the said corporation can be had; and said justice shall forthwith issue such process, and, after a full hearing of said corporation upon the matters aforesaid, may dissolve or modify the said injunction, or make the same perpetual, and make such orders and decrees to suspend, restrain, or prohibit the further prosecuting of the business of such corporation as may be needful in the premises, according to the course of chancery proceedings; and at his discretion may appoint agents," &c.

The petition sets forth that the Haymarket Square Bank was incorporated last winter; that the Committee of the Legislature refused a charter when they knew that Samuel A. Way was concerned in the matter, and that the said Way agreed to retire and have nothing to do with the bank; that previous to the charter, said Way had been very active in getting subscribers; that many names procured by him were not of persons who would take stock, but that he had agreed to take the stock off their hands; that in one instance he procured a signature which was entirely unauthorized; that he got the entire control of a large majority of the stock, and chose whom he pleased as directors; that the persons so chosen were under his influence and control; that he was a man of notoriously bad character; that the condition of the bank was such as to render its further progress hazardous to the public, and that it had failed to comply with the requisitions of law, &c. Therefore an injunction was prayed for.

An injunction was granted and notice ordered on the bank. At the hearing before Chief Justice Shaw, the corporation put in an answer, in which they set forth their incorporation, and alleged that all the proceedings were legal and proper; that some of the original subscribers had refused to take their stock, and others had agreed to take it; that more than $ 40,000 had been paid in, and the whole would have been paid in, if this injunction had not been granted.

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In regard to S. A. Way, his character and proceedings, the bank made answer, that they were in no way relevant to these proceedings; that said Way had resigned his seat as a director, and had now no connection with the bank as such; that the corporation had no knowledge of any fraud, or intended fraud, on his part, or on the part of any one else, nor did they believe there had been any, but whether there had been or not was not material, as he had now retired.

At the first hearing of the cause, the respondents took the ground that the Court had no jurisdiction, inasmuch as the petition was not supported by one eighth of the stockholders; that the petitioners were not *such* stockholders as the law contemplated, inasmuch as they had never paid for or taken their stock, had done no *act* in relation to the bank, and had declared, many of them, that they would not take their stock.

But the Court ruled that persons who had subscribed for stock, and whose names were on the apportionment that had been adopted at the first meeting, were such stockholders as could sustain this process, notwithstanding they might have made declarations inconsistent with their being stockholders.

The respondents also took the ground, that the inquiry must be limited to acts done by the corporation *as such;* that all acts of persons prior to the granting of the charter, and prior to the organization, were not proper subjects of inquiry here; that the Legislature had passed upon this point by granting the charter. If the Legislature had been imposed upon, they could repeal the charter, but this Court could only look to the acts of the corporation itself.

But the Court overruled this point, and held, that although the proceedings before the Legislative Committee were not material, yet, if it appeared that there were fraudulent acts connected with the original subscription lists, that there were fictitious or false signatures, or other means adopted which contravened the general policy of the banking laws, this evidence might have an important bearing on the question, whether this bank was so organized as to be safe.

The petitioners proposed to prove the general reputation of S. A. Way to be bad.

The respondents objected to this at length, and contended that Way had nothing to do with the bank; that the corporation, as such, should be responsible for its own acts, and not for those of persons who were not connected with it; and the counsel for the respondents declared that they were not the counsel of Way.

On the other hand, the petitioners contended that the character of Way was essential; that the bank was got up by him, was under his control, and the allegation was that he was a bad man, and any bank so got up and controlled was unsafe; that although he had retired now, yet that the whole origin and organization of the corporation had become tainted by his connection with it.

The Court said that this was an extremely difficult question to settle, but as at present advised he should admit the testimony.

Testimony was then offered bearing upon these several points, and before it was all in the Court adjourned.

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At the next session of the Court, Mr. Chandler, of counsel for the respondents, stated to the Court that the counsel for the respondents in this case had from the first taken the position that the bank was responsible only for its own acts, as a corporation; that the character and proceedings of one of the directors was not a proper subject of inquiry here, after that director had resigned his seat; and the attempt had been made to separate the corporation, as such, from the proceedings of all persons prior to its organization. But under the rulings of the Court yesterday, the positions of the respondents not being maintained, there had been a conference between the counsel on both sides, and an interlocutory decree had been agreed upon, which might be entered in the case, if agreeable to the Court. Mr. Chandler then read the decree, as follows: —

Supreme Judicial Court, Suffolk ss.

A. S. Chamberlain et als., Petitioners, *vs.* The Haymarket Square Bank.

This cause having been partially heard on the petition and evidence, on this twenty-second day of August, A. D. eighteen hundred and fifty, it is ordered, adjudged, and decreed by the Court, by consent of the respective parties, that the said injunction be so far modified, that the President and Directors of the said Haymarket Square Bank proceed to liquidate the affairs, and pay the debts and expenses, of the said bank, and thereupon distribute the funds of the said bank among those stockholders who have paid for their stock, in proportion to their respective payments, and that said cause be continued with the said injunction in all other respects, to the further order of the Court.

Judge Merrick, counsel for the respondents, then arose and read the following paper, which he desired to have placed on file, on behalf of Mr. Way: —

Supreme Judicial Court, Suffolk ss. — I ask leave, may it please your Honor, to state in behalf of Mr. Way, and in justice to him, that as the injunction in this case was obtained in consequence of his connection with the bank, and his proceedings in relation to it, and as he admits that he has been active in procuring subscribers and in the course of proceedings in relation to its organization, and many of the subscribers who have paid in their money have done so through his influence; and as he is unwilling that any person should sustain any loss by reason of any thing he has done, he has voluntarily pledged himself to the directors to furnish from his own funds whatever sum of money is necessary, beyond the resources of the bank, to enable them to pay all its debts and discharge all its liabilities, and to return to the several stockholders the money they have paid in, together with interest on the same. This pledge has been accepted by the committee of the Board of Directors having charge of this defence, and means will therefore be provided for an immediate settlement of all claims of every description upon the corporation.

And if there be no objection, I respectfully ask that this statement may be placed, on behalf of Mr. Way, on file with the papers in the case.

P. Merrick, *Attorney for Respondents.*

August 21, 1850.

Shaw, C. J., stated that the course proposed would protect the rights of all parties and the public. He was gratified that an adjustment had been made. Under the circumstances, the bank could hardly go on with any success. He also stated his individual opinion, that the chartering of banks with so small a capital as $ 150,000, in a city like this, was not for the public interest.

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It will be noticed, that the decree agreed upon in this case is not a *final* decree. It is an *interlocutory* decree, and either party may again move in the matter. That is, it is in the power of the Court to dissolve or further modify the injunction, or to make it perpetual. The case stands continued, to await such order as may be made hereafter.

C. G. Loring and S. E. Sewall for the petitioners.

Judge Merrick and P. W. Chandler for the respondents.

LEGAL MISCELLANY.

Late Decisions in the Supreme Court of Vermont.

Transfer of Stock.

From "The Law Reporter," Boston, 1850.

E. L. S., a brother of the plaintiff, owned in October, 1835, nearly two hundred shares of the capital stock of the defendant corporation. He was not then indebted to the bank. At that time he transferred the stock to sundry persons, in order to control an election of bank officers, taking from them proxies for the purpose of voting in their names. From that time until November 16, 1839, when the defendant caused an attachment of the shares, E. L. S. controlled them as his own property, and most of them were reconveyed, except four, which were transferred to the plaintiff. In October 9, 1837, a second distribution was made in the same manner, and for the same purpose, and two additional shares were conveyed to the plaintiff. The debt upon which the defendant attached the shares accrued on the 6th of January, 1837. The six shares of the plaintiff were sold, on execution, December 19, 1840. The plaintiff had no beneficiary interest in them until October 25, 1837, when he took them in satisfaction of preëxisting debts. E. L. S. received all dividends upon these shares, which were paid before the sale on execution, and the plaintiff made no claim upon the bank until 1841, when there remained one dividend (due prior to the sale) unpaid, which was paid to him (plaintiff). He then demanded the subsequent dividends, which the bank refused to pay. *Held*, that the plaintiff could not hold the six shares as against the bank, but that it was clearly his duty, in view of all the facts, to give notice to the bank when he acquired the beneficial interest.

Whether transfers of bank stock for the purpose of defeating the objects of the charter are to be considered valid, under any circumstances, *quære*.

The important facts in this case are, briefly, that Elisha L. Sabin, a brother of the plaintiff, owned in October, 1835, nearly two hundred shares in the capital stock, and was not indebted to the bank. At that time, and for the purpose merely of increasing his vote in the election of bank officers, he conveyed one hundred and eighty shares to forty-five

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different persons, taking from them proxies for the purpose of voting in their names.

From that time forward, until the defendants attached the shares, on the 16th day of November, 1839, Elisha L. Sabin continued to control the shares as his own property, without any intimation from any source that they were not in fact exclusively so. During the time Elisha L. Sabin had obtained of the bank large credits, upon the pledge and faith of his being the owner of this stock. Most of the shares had, in the mean time, been reconveyed to Elisha L. Sabin; but the plaintiff's four shares, or those conveyed to him, had remained on the books of the bank in his name. The debt upon which the defendants attached the shares accrued on the 6th of January, 1837.

On the 9th of October, 1837, Elisha L. Sabin again distributed his stock in the same manner, and for the same purpose. At this time said Elisha L. Sabin was indebted to the bank in a larger sum than all his stock, which has never been satisfied, except by a sale of said stock. At this time two additional shares were conveyed to the plaintiff. The plaintiff had no interest whatever in these six shares (which were sold by the bank as the property of Elisha L. Sabin, and to pay his indebtedness to the bank, and upon execution, on the 19th day of December, 1840, and which are in controversy in this suit), until the 25th day of October, 1837, when he took them of his brother, in payment of debts he had against him.

That portion of the charter of the bank by which defendants claim to hold these six shares, as the property of Elisha L. Sabin, is as follows: — "That the shares in said bank shall be transferable, in such manner as shall be prescribed by the by-laws of said corporation. Provided, That no transfer shall be valid, until the same shall be recorded in a book, to be kept by the directors, in said bank, for that purpose, and unless the person making the same shall have previously discharged all debts due from him or her to said corporation."

The last transfer made by Elisha L. Sabin, 9th of October, 1837, was made at the suggestion of persons who were at the time directors of the bank, and who constituted a majority of the board, but acting separately, but for the common object of securing their own reëlection. These transfers were all recorded upon the books of the bank in due form. Elisha L. Sabin received all the dividends upon these six shares, which were paid before the sale upon execution. And the plaintiff made no claim upon the bank until 1841, when there remained one dividend upon these shares, prior to the sale, unpaid, which was then paid to plaintiff, he at the time making demand of the subsequent dividends (after the sale), which the bank refused to pay.

The question to be determined is, whether, under this state of facts, the plaintiff is entitled to hold the six shares against the bank. This will depend upon the question at what time the plaintiff's title is to be regarded as accruing, as between him and the bank.

We should not be inclined to question that a *bonâ fide* purchaser of shares of one in whose name the shares stood on the books of the bank, and who was not himself indebted to the bank, would acquire

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good title to the shares, as against the world. Such seems to be the rule laid down in the English cases, cited in argument, even when the transfers have been made by virtue of forged powers of attorney. This is done to give greater security to that species of property, and is really for the advantage of the banks, inasmuch as the value of the property depends somewhat upon the perfect security of the title. It is also esteemed somewhat culpable, in the officers of such a corporation, to suffer a transfer of stock to be made up on their books, by means of a forged power, when it is supposed they possess readier means of detecting the genuineness of the handwriting, as well as of the other transactions of their shareholders, than strangers have. So that one who purchases stock in these corporations is not obliged to look beyond the books of the bank for the evidences of title, and if he purchases upon that appearance is entitled to receive the dividends of the bank. They, too, would be liable also to pay the dividends to the true owner, if they had suffered the transfer to be entered upon their books upon insufficient authority. This is substantially the rule of the English courts and of many of the American States, and of the national courts. The opinion of Taney, C. J., in *Lowry* v. *The Commercial and Farmers' Bank of Baltimore*, in the Circuit Court, decided in July, 1848, which we have not seen, except as reported through the newspapers, is to the same effect, if we correctly apprehend its principle. That was the case of a transfer, suffered by the bank, through the agency of an executor, who by the will was not authorized to make the transfer. The court held that the bank was bound to look into the will, for the purpose of learning the extent of the executor's authority, and were culpable for not doing so, and chargeable with implied notice of the contents of the will.

But it does not seem to us that the present case comes within this principle. The great question here is, whether the plaintiff was at liberty to purchase these shares upon the faith of the former title merely being in himself; or whether his having for years suffered the former nominal owner, and in fact the real owner, to treat the stock to all intents as his own, he was not bound to make inquiries as to the state of the title, before he purchased, and after he purchased to give notice to the bank of his having become the beneficial owner, before he could compel the court to protect him as such? It seems to us, that such was his duty.

We do not, indeed, feel prepared to say precisely how far such merely formal transfers upon the books of the bank, and for the purpose of defeating the proper objects of the charter, in one particular, are to be regarded as of any force whatever, as to those who are instrumental in bringing them about. Reason, and policy, and justice, would seem to require that they should be treated as simply void. But certainly the plaintiff had no reason to expect that the bank would deal any differently with his brother, on account of any such new shadow of a transfer, while he was all the time receiving the dividends, and treating the stock to all intents as his own, which it in fact was. Nor can it be supposed that any honorable man would act upon any such expectation. We think, therefore, that his title must date, as between himself and the bank, from the time they had notice of such title.

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And the fact, that certain persons, who formed the majority of the board of directors, advised this distribution of the stock, can, in our apprehension, make no difference. As directors, they had no right to make or advise any such operation. It was not supposed by any one, that, as directors, they had any such authority, or that they professed to act upon any such ground. We think, therefore, that all the plaintiff's shares must be considered as standing upon the same ground. So far as the bank was concerned, at the time of the attachment and sale, the title was in Elisha L. Sabin.

It is, perhaps, not necessary to go further. We entertain, however, upon the present argument, no reasonable doubt that the mode of transfer of stock pointed out in the charter is the only mode which the public are bound to regard as conveying the title. All persons, unaffected with notice to the contrary, are at liberty to act upon the faith of the title being where it appears on the books of the corporation to be.

This view we do not think inconsistent with the notion, that any other mode of conveyance may be perfectly good, between the parties to it, and to all others having notice of it, the same as an unrecorded deed, or notice of a mere equity.

It seems to us reasonable to conclude that the defendants, as a corporation, under their charter, might refuse to allow the transfer of stock to go upon their books, until all debts due from the grantor, or seller, to the bank were paid. Indeed, this seems the only mode in which they could produce their lien against the title of a *bonâ fide* purchaser.

But if a formal transfer of stock were made upon the books of the bank, by mistake, or in any other way, not intending to convey title, we do not think one who had knowledge of that fact would acquire any title, as against a *bonâ fide* owner or pledgee, by purchase of the person in whose name the stock stands. These are, we believe, but elementary principles in the law, as they certainly are in reason, justice, and morals.

Judgment affirmed.

BURT ON LIFE INSURANCE.

From the London Morning Chronicle, August 8, 1850.

Life Insurance. An Historical and Statistical Account of the Population, the Law of Mortality, and the different Systems of Life Insurance; including the Validity and Non-validity of Life Policies; with Observations on Friendly Societies and Savings Banks, &c., &c. By Alfred Burt, Esq., Secretary to a Life-Office. London: Effingham Wilson, Royal Exchange.

A GREAT many books have been published of late years on the subject of life insurance, and we notice this with satisfaction, as indicating, in connection with the large recent increase in the number of insurance offices and of life policies, an interest continually growing through the

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community concerning a matter that should be of such vital anxiety to all those to whom fortune has denied an estate more bountiful than the produce of their wits or their hands. For whatever may be the collateral advantages of life insurance in mercantile transactions, or as the means of raising money, or securing debts, we regard it as of incomparably more importance considered as the means of averting poverty from a family, when, by the demise of its head, the source of supply is stopped. But every sensible and prudent man would desire, before investing a portion of his income in life insurance, not only to understand the leading principles upon which the system is founded, but to be in possession of facts and details to assist him in selecting the safest, and at the same time the most economical, quarter to effect the desired object. For these purposes the various works adverted to may be consulted; and many of them are of the highest excellence. The science of insurance has been treated by mathematicians, the practice by actuaries, and the law by professional writers.

To those who wish to begin at the beginning, and to dive deeply into the subject, the works of Sir Wm. Petty, Dr. Halley, Mr. Babbage, Mr. Neison, Mr. Milne, Professor de Morgan, and others, are open; and there is also a compendium of the law published by Mr. Dowdeswell in 1846. But, withal, many of these volumes, so valuable as text-books to persons competent to use them, are too recondite, too abstract, or too technical for the general reader, requiring, as they do, a finished mathematical education to follow the reasonings and theses, and consequently unfitted for the practical information and guidance of a plain farmer or tradesman, whose sole and simple object is to provide as much as he can for the benefit of his family at his decease. Mr. Burt steps in to the aid of such persons as these; and the design of his small, but comprehensive and well-executed work, is the praiseworthy one of simplifying and familiarizing the subject. He proposes, —

"To explain, in the most simple and practical form, the general principles of Life Insurance, the plan upon which the business is usually conducted, and the advantages peculiar to this mode of investment, in the hope that the observations advanced in favor of the practice, with the addition of my own experience, may in some measure be instrumental in rendering the whole subject clear and instructive to those who may be desirous of acquiring a knowledge of the system, but who may not have leisure to enter into scientific disquisitions on questions of life contingencies."

He further says, with respect to the object of the book: —

"The present work has been written with the view of furnishing information to those who may be desirous of acquiring a knowledge of the principles of Life Insurance; and in order to effect this object I have endeavoured to simplify the whole subject. The proposition which it is my desire to establish is, that the data and deductions upon which the system of Life Insurance is founded are as satisfactory and conclusive as those of any other branch of commerce. In establishing this position I have endeavoured to make myself perfectly intelligible, and I trust I have succeeded; for it requires only an ordinary knowledge of the English language and arithmetic to understand clearly what is advanced in the following pages. This knowledge is possessed by the middle classes of the country, and I wish that it was

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as easy to induce that respectable and intelligent body to avail themselves of the benefits as to make them understand the terms and conditions of Life Insurance."

This appears the right principle to adopt when writing upon a subject essentially practical, like Life Insurance; one quite as interesting to the mass of moderately well educated, as to the most highly cultivated of the community. But Mr. Burt has judiciously decided that the adoption of a form fitted for popular use does not supersede the necessity for a methodical arrangement of parts, so that a compendious view of the whole may be obtained. Accordingly, the history, statistics, and science of Life Insurance are severally considered in due sequence. After some introductory observations, explanatory of the general principles of Insurance, and giving a short account of the amount of capital invested, and the revenue and engagements of the companies in the aggregate, he takes a statistical and historical view of the population, its progression and divisions, and of the tables of mortality, with the method of calculating the chances and probabilities of human life. He next sketches the rise and progress of Life Insurance, and explains the different systems of proprietary and mixed companies, and Mutual Societies; expressing a very decided preference for the last-named system. Then comes a chapter, one of the most practically useful in the book, on the Principle and Practice of Life Insurance, in which the mode of doing business is expounded; and explanations are given of the various distinctions of premiums, terminable, ascending and descending, and "half premiums"; the system of *bonuses;* the nature of policies; the responsibilities of the officers to the insured; and the restrictions imposed upon the latter as to travelling and foreign residence; with various other matters necessary to be understood by persons intending to insure their lives.

While Mr. Burt is an earnest advocate for the perfect safety of the principles of life insurance, and a firm believer in the great advantages which the proper application of them confers upon society, he is by no means blind to the defects that exist in practice. The whole of his section upon the validity and non-validity of life policies should be read with the utmost care and attention by all who are interested in, or about to enter upon, such transactions, as they are suggestive of prudential considerations before ratifying contracts and paying premiums. Admirable and excellent as the principle of life insurance may be, honorable and liberal as the dealings of many companies indubitably are, still no prudent man should in this, any more than in any other serious event of his life, bind himself hastily and incautiously by special agreement to particular individuals. We only regret that the author has not gone somewhat more fully into details in this section. A list of cases in which payment of life policies has been resisted by insurance offices would have been acceptable to the non-legal public; or, indeed, as the professional law reports are not very accessible to general readers, transcripts of the causes, with the decisions by the courts, would have formed a valuable appendix. Having alluded to the absolute necessity, in conducting the business of life insurance, of fulfilling the conditions of a policy in a strict and honorable sense, and of paying in full every

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one which becomes a claim, and not seeking by legal quibbles and technical objections to evade a morally binding engagement, Mr. Burt says: —

"The insecurity afforded by the present state of the law to the widows, orphans, and representatives of those who may have insured their lives as a provision for their families, has been a constant obstacle to the progress of Life Insurance, and the uncertainty which has hitherto attended the rights of policy-holders, the vexatious delays in the settlement of claims, extorted compromises, and protracted litigations, have had the effect of deterring many persons from resorting to life policies as provisions for families, or as security in pecuniary transactions."

He thus defines the contract of Insurance, and the advantages which may be taken of its terms against the party assured: —

"An insurance is a contract whereby the insured undertakes to pay the premium regularly, and the company to pay the stipulated sum three months after death; provided that 'every statement, declaration, and all testimonials and documents addressed to or deposited with the company in relation to the insurance, shall be found to be in all respects true.' These statements are held as warranted, and taken as the basis of the contract; so that the policy shall be void if any 'important information' has been omitted.

"The effect of these clauses, and the consequences resulting from them, have been determined by decisions of the courts of law and by institutional writers, who have decided that an error in a policy, or in the information given to the office, however innocent or unintentional, has the effect of vitiating the policy; and the records of law prove that advantage may be taken of the insured in such cases, when, from the distance of time, and the death of the person whose life was insured, there do not exist the means of proving the facts relating to the granting of the policy; consequently the public must ever remain ignorant of the nature and extent of the compromises which persons insured have found themselves obliged to make rather than risk litigation."

Mr. Dowdeswell's opinion on the law is quoted in the following words: —

"Whether the portion of a warranty eventually discovered to be incorrect or not complied with be material or wholly immaterial with respect to the nature of the risk, the result will be the same; and when the truth of the facts is positively alleged, and not limited to the knowledge of the insured, although a misstatement may have arisen from the most innocent mistake, or from false information afforded by others, or mere inadvertence, the insured will be in the same position, as to legal remedies in the contract, as if he made the most wilfully fraudulent averment."

The perusal of this chapter certainly tends to discourage the hopeful and sanguine feelings which may have been excited in the mind by the antecedent portions, wherein the author descants upon the advantages of life insurance and its safety as a security. Nevertheless, the whole truth should be told, if only to induce people to act with due caution. Of the effect of the doctrines of law which have been laid down, Mr. Burt remarks: —

"That the owner of a policy cannot recover, unless he can make out affirmatively, to the satisfaction of a jury, after the insured is dead, that he had not had at any

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time, from infancy upwards, all or any of the diseases, or symptoms of diseases, mentioned in the proposal, upon which the office may raise an objection; in fact, that, as the law now stands, the claimant in an action on a policy is in effect put to the absurdity of proving the affirmation of a negative proposition."

And further: —

"Although the office have the means of satisfying themselves from medical examinations, reports, &c., the question whether there is an insurance or not still remains open as against the insured, and no degree of caution on the part of the insured, or of investigation on the part of the office before granting a policy, will prevent the company from disputing the payment after death. Even the admission of the fact that the insured was at the time of the policy in good health, will not preclude the office from taking advantage of any questionable answer given by the insured, under a misapprehension of the meaning of any one of these queries, and that, too, at a time when his explanation cannot be obtained."

In litigated questions, the offices throw the *onus* of proving every thing upon the claimant of the insurance, while they, although having the documentary evidence in their own possession, refuse to state their grounds for disputing the policy, thus driving "widows, orphans, or representatives of the insured into an unequal struggle for the enforcement of their claims at law, or to force them into a dishonorable compromise." The author then shows the insecurity of life policies to persons effecting insurance on the lives of debtors, and he arrives at the following conclusion: —

"A company which is prohibited from disputing a policy once granted will take sufficient care to ascertain the real state of the risk before granting the policy.

"The principle of the indisputability of policies is the only one deserving the name of insurance, and there is not the slightest reason why life offices should avail themselves of the strict rules of law to dispute any policy they have granted; and clauses to that effect have already been approved of by the Registrar of Joint-stock Companies. Life Insurance, under proper regulation, would be a blessing to society, and one of the greatest advantages, as it is one of the highest refinements of civilization; but the evil of litigation, such as we have described, bids fair to render it 'a mockery, a delusion, and a snare.'"

A chapter follows upon the origin, progress, and defects of Friendly Societies; and the volume concludes with a general review of Life Insurance, in which we find an explanation of its nature and advantages, and of the various purposes to which it may be applied, a description of the form of effecting an insurance, and of the conditions of the policy, and a few hints upon the selection of an office.

The style of the author, if not rising into elegance, or even always correct, has the merit of being distinct and intelligible; and, upon the whole, the book appears to be a fair summary of the advantages and defects of the existing system of Life Insurance.

Our readers will find valuable contributions upon the subject of Life Insurance, in the prior volumes of the Bankers' Magazine. The writings of Mr. Chambers in our third volume are well worth examination by bank officers and all others who propose taking out policies. — Ed. B. M.

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LETTERS OF CREDIT.

From the London Bankers' Magazine, August, 1850.

1. *Letters of Credit.* — A letter of credit is defined by McCulloch, in the *Commercial Dictionary*, to be "a letter written by one merchant or correspondent to another, requesting him to credit the bearer with a certain sum of money." We do not think this definition strictly correct, at least in reference to letters of credit issued in places subject to the English stamp laws. It seems to us that the letter of credit, to be a legal document, ought to be payable to some particular person, and not to bearer; and that it ought to be sent direct from the banker who grants it to the banker who is to pay it, and the latter must satisfy himself of the identity of the person who applies to receive it. In this view of the matter, a letter of credit is simply a request from one banker to another, to pay a particular person a sum of money. It is not a draft, a bill of exchange, or a promissory note, and therefore it requires no stamp duty. But if it should be drawn in the form of an order to pay the bearer, or to pay a particular person or order, and then delivered to the bearer or the payee, it would constitute a bill of exchange within the meaning of the stamp acts, and the acts relating to banking, which we shall refer to more particularly when we treat of bankers' drafts. This view seems borne out to some extent by the case of the *Queen* v. *Kinnear*, for forging a bill of exchange. The bill was in this form: —

"Flintshire District Banking Company,
Flint, 29th September 1837.

"Twenty-one days after date pay (without acceptance) to the order of Mr. James Henderson £70, for value received for the Company.

"J. WATKINS, *Manager.*

"To the London and Westminster Bank,
Throgmorton Street, London."

Indorsed, "J. HENDERSON."

It was objected that the direction not to accept prevented the instrument from operating as a bill of exchange, and therefore that it was wrongly described. *Justice Patteson* said, — "This instrument certainly differs from all others that I have seen as bills of exchange, by reason of the words 'without acceptance.' I do not, however, consider that the insertion of those words alters the character of the instrument, so as to prevent its being a bill of exchange. All that is necessary to constitute a bill is, that the party making the instrument should direct it to some other party, requiring that other party to pay the money therein mentioned to some third person or his order, or to the order of the party so making the instrument. The drawer may in each case prescribe the terms upon which the payment is to be made. Here he has chosen to prescribe that the drawee is to make the payment 'without acceptance'; the meaning of which I take to be, that the holder is not to be put to the trouble of presenting it to the drawee before it becomes due; but still, if he should choose to present it, there is nothing to prevent the drawer from accept-

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ing it: actual accceptance, of course, is not necessary to make the instrument a bill of exchange. Bills are daily noted and protested as bills for non-acceptance; they must, therefore, be bills before acceptance. Bills at sight are not, in fact, commonly accepted." *The Queen* v. *Kinnear*, 2 Moody and Robinson, 117.

It may be remarked, in passing, that the words "without acceptance" were probably inserted in consequence of the cases of *The Bank of England* v. *Anderson*, 3 Bingham's New Cases, 589; and *The Bank of England* v. *Booth*, 6 Bingham's New Cases, 415; in which it was held that banks in London, consisting of more than six persons, could not accept bills of exchange without infringing the privileges of the Bank of England. This has been altered by a late statute, to which we shall hereafter refer.

In ordinary cases there are four parties concerned in letters of credit: —

1. The person who pays the money to the banker, with specific instructions as to its application.

2. The banker who receives the money, and undertakes to write the letter to his correspondent, and that his correspondent shall act on it pursuant to the specific instructions of the party paying the money.

3. The banker to whom the letter is written, and who is probably under some contract with the banker who writes the letter, to honor it.

4. The person to whom the credit is to be given.

The position and rights of each of these parties appear to be as follows: — The person paying the money enters into a legal contract with the banker to whom he pays it, that it shall be applied in a particular way, and if that banker should not so apply it or procure it to be so applied, he will be responsible to this party in action for the breach of the contract. The banker who is to pay the letter of credit is probably under an express or implied contract with the other banker to do so, and would be responsible to him for breaking it, but not to either of the other parties. The person who is to receive the letter of credit has no right to proceed against the banker who ought to pay it, and can probably only look to the party remitting, unless it should be considered that he can sue the first banker for money had and received. The rule is, that "where an agent receives money to pay over to a third person he continues to be accountable to his principal, until he has entered into some binding engagement with that third person, to hold the money to his use, and not until then will he be liable to the third person in an action for money had and received." *Baron* v. *Husband*, 4 Barnewell and Adolphus, 812.

The duties of each party, arising from this view of their position, is for the party paying the money to give explicit instructions as to its application, which instructions the banker is to transmit to his correspondent, who is to obey them; and the party having a right to obtain the money must apply in a reasonable time to receive it, otherwise any loss arising from the failure of either of the bankers would probably fall upon him. In the event of these duties being neglected, each party will be liable to the one with whom he contracts, but not to any other party. The remedy of the banker paying the letter of credit for the amount

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thereof, would be against the banker who instructed him, and would be an action for money paid at his request, in which the letter of credit would prove the request, and the receipt of the party to whom it was paid would prove the payment. In practice, a check is drawn by the party entitled to receive the letter of credit, and is retained by the banker paying it, as a voucher, or an indorsement is made by the payee on the back of the letter of credit.

2. *Bankers' Drafts.* — Bankers' drafts are ordinary bills of exchange, drawn by one banker upon another. They are subject to some statutable restrictions, and the stamp duty on them can be paid by a composition. They are commonly engraved on a sheet of paper so that a letter can be written with them. The following are the clauses of the statutes now in force relating to them. By 9 Geo. 4, c. 23, it is enacted, that "All persons carrying on the business of bankers, except within the city of London, or three miles thereof, having first duly obtained a license for that purpose, and given security by bond, may issue, on unstamped paper, promissory notes for any sum of money amounting to £ 5, payable on demand, for any period not exceeding seven days after sight; or bills of exchange payable on demand, or at any period not exceeding seven days after sight, or twenty-one days after date; provided such bills be drawn upon any banker in London, Westminster, or the borough of Southwark, or bills drawn upon themselves at any place where they are licensed to issue such bills, payable at any other place where they shall also be duly licensed."

FAILURE OF THE SCOTCH EXCHANGE BANKS.

From the London Bankers' Magazine.

We have noticed from time to time, in our pages, the establishment, progress, and position of some of the institutions formed during the prevalence of the railway mania, for the purpose of making advances on shares of various descriptions; and our readers will have observed, from the more recent notices which we have published of these "Exchange Banks," as they were termed, that their position lately has been any thing but satisfactory. We regret now to have to record their total failure, involving a vast number of unfortunate shareholders in losses which, we fear, they will find it difficult to meet without bringing many of them to ruin; while the facts which have been made public respecting the management of these "Banks" disclose circumstances far from creditable to those who have been intrusted with their regulation.

It is seldom that so complete a failure of *a series* of joint-stock companies, formed for a particular purpose, has come under public notice. Indeed, we believe that, with the exception of the abortive railway schemes, the Scotch Exchange Banks may stand alone as examples of joint-stock failures. The fact that they were intimately connected with railways may assist us to an understanding of the result; but it

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will hardly explain how companies, professedly founded on sound banking principles, for the purpose of carrying on a legitimate branch of business, should so entirely falsify all the anticipations formed regarding them.

We think a short notice of the rise and progress of these banks, and of the causes which ultimately produced their ruin, will be interesting and useful; and we intend, therefore, in the present paper, to record some of the peculiar circumstances attending their origin; after which we shall be in a better position to understand the occasion of their fall.

Towards the close of the year 1844 the holders of railway scrip, who had purchased a far greater amount than they could provide the means of paying the calls upon, endeavoured to obtain advances from their bankers on the deposit of shares. Money became more in demand, and the first indication of the pressure which afterwards produced the collapse in the railway market made itself known. The result was, that those who had for some time previously been speculating in shares found it necessary to obtain advances to sustain their credit; and the people of Scotland seem to have been peculiarly circumstanced in this respect. At the commencement of the railway mania the Scotch were slow to become affected by it; they did not "recognize" the mania until it had reached its height, and then they became suddenly affected by it to its full extent, and entered into the wildest speculations with a recklessness proportioned to the apathy they had previously exhibited.

Mr. George Kinnear, the manager of the Commercial Exchange Company, who published some time since a very succinct "History of the Rise of Exchange Companies in Scotland, and a Defence of their Proper Business," says, —

"The amount of property invested in joint-stock companies, held in Scotland, became very large indeed; so large that, I believe, few people form any thing like an adequate conception of it. Some idea may be gathered from the fact, that of one of our local railway companies (the Glasgow, Kilmarnock, and Ayr), above £ 1,500,000 of the capital stock is held in Scotland; and although that stock is now about par, it is a moderate estimate to say, that it may have cost most of the present holders, on an average, thirty per cent. more than the above sum. I do not think, therefore, that I can be accused of great exaggeration, if I estimate the total value of property in joint-stock companies, held in Scotland, at twenty to twenty-five millions. It was, of course, impossible that this large amount of property could be held by thousands of persons, without some of them requiring loans upon it, for longer or shorter periods, who did not wish to part with the property altogether. The banks were accordingly applied to, as the only distributors of money, to grant the accommodation required. The security was admitted to be good, the transfer was easily, securely, and not expensively made, yet the banks were unwilling to grant accommodation upon it. Some, indeed, granted it, in a few cases, as a favor to individuals, but *not one of the banks* would venture to make it a part of their regular business. The reason for this was excellent and satisfactory, — for the security, however good and safe, was not of that nature which suited the

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business of banking. The business of a bank is, to accommodate merchants and tradesmen in their sales and purchases; and if any bank lends its funds on fixed securities (however safe they may be), it, to that extent, destroys its usefulness, and embarrasses the legitimate business for which it was established."

It occurred, therefore, to Mr. Kinnear and others, that a favorable opportunity presented itself for establishing a bank on a new principle; and accordingly, in May, 1845, the "Glasgow Commercial Exchange Company" was commenced, for the purpose of making advances "on a kind of obligation which, though perfectly safe, could not be expected to be paid with the punctuality which is absolutely necessary in ordinary banking"; and it was soon ascertained that the public really wanted and would support such an undertaking, and that a sufficient amount of good business could be done in that department of banking to make the Company remunerative to the shareholders. The Company accordingly commenced lending on railway stocks, charging, in consideration of the permanent character of the advance, a higher rate of interest than ordinary banks. They also took in deposits, allowing five and a half per cent. on money deposited for six months, with three months' notice of repayment, while the ordinary bank rate on deposits was only about half that amount. The public were therefore tempted to become depositors, and by this means the Exchange Bank was amply supplied with capital to lend, which it advanced to railway shareholders on the deposit of shares, taking care that an ample margin should be preserved between the amount of the advance and the market value of the shares, so that, if necessary, they could be sold without loss to the Company. *Had this rule been strictly adhered to, the Exchange Banks would have proved profitable speculations;* but, unfortunately, it has been neglected in practice, and hence the ruin which has overtaken all the Companies. No sooner was the Commercial Exchange Company announced, than its suitableness to the wants of the times was immediately acknowledged by the rapid projection of more than half a dozen "banks" of a similar character in Glasgow alone. It was clearly shown in the prospectuses issued, that the Companies would be capable of paying at least twenty per cent. per annum to their shareholders; and when it is added that these shareholders themselves had the additional advantage of borrowing money from their own Companies on shares, we need not be surprised to find that the directors had very little difficulty in obtaining subscribers to their schemes, and that for a time every thing appeared to go on prosperously. No sooner was one Exchange Bank formed, than another was announced. Our authority before named says, this melancholy farce was enacted in Glasgow, among sober and reflecting men of business, for about twelve months. During this time there were actually set going, in Glasgow alone, no less than eight Exchange Companies, which number was afterwards reduced to six, by amalgamations.* Besides this, there were several projected in Edin-

* The following is a list of the companies, nearly in the order in which they came into existence in Glasgow: — The Commercial Exchange Company. The National Exchange Company. The North British Bank. The Union Exchange

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burgh, Aberdeen, and Dundee. The Companies all got speedily into order. Most unexceptionable men were named as directors, and every thing went on for a time with apparent regularity, the shares maintaining a good premium. Many people wondered where they all got business, and most prudent men considered the business overdone. But it was the palmy day of railways, when every body was rushing in to get the advantage supposed to be derived by holding shares in them; and no one had any right to limit the public in the way in which they chose to employ their money. Railway shares were fashionable, and so were Exchange Companies' shares."

The results of this folly we must reserve for description in another article.

THE IMPORTANCE OF STATISTICS.

ASSUMED THEORIES. — It has been one of his maxims that, in any inquiry, the whole subject should, as far as possible, be investigated *de novo*, that is, as if nothing at all had been already concluded with regard to it; a maxim into which he had been led by finding so many instances in which doctrines and theories that were in every body's mouth, and that ranked almost as incontrovertible axioms, have turned out, upon inquiry, to be absolute fallacies; and in laying down which he, nevertheless, does full justice to the apparently contradictory maxim that, philosophically, theory, i. e. interrogation with doctrine bedded in it, is the true instrument for arriving at useful statistical results. — *North British Review.*

IMPROVED CONDITION OF MAN. — According to a document which the men of science in France treat as satisfactory evidence, it appears that the annual mortality in Paris during the "Age of Chivalry" (the fourteenth century) was one in sixteen or seventeen. During the seventeenth century it was one in twenty-five or twenty-six; and in 1824, it was one in 32.62. When the other parts of France were added to the capital, the proportion of deaths appeared still further to have decreased; and, throughout the whole of France, the deaths during 1781 were one in twenty-nine. During the five years preceding 1825, it was one in thirty-nine. We have not the whole materials before us to enable us to determine accurately; but the total results prove to the satisfaction of

Company. The West of Scotland Investment Company. The Exchange Bank of Scotland. The Glasgow Exchange Company.

The Companies appear to have *assisted each other in completing their share lists.* Thus Mr. Kinnear says, that "The Union Exchange Company, the North British Bank, the West of Scotland Investment Company, are all partners in the Exchange Bank of Scotland. The North British Bank, the Union Exchange Company, the Exchange Bank of Scotland, are all partners in the West of Scotland Investment Company. The North British Bank, the West of Scotland Investment Company, the Union Exchange Company, are all partners in the National Exchange Company."

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men of science on the other side of the Channel that the value of life has doubled in France since "*le bon vieux tems*," and gained nearly one third since the Revolution. — *Ibid.*

Poverty and Public Expenditure. — In the years 1783–85, the annual expenditure of England and Wales in the support of the destitute poor averaged £ 1,912,241; in 1801, it had increased to £ 4,017,871; in 1820, it was £ 7,330,256; and in the twelve subsequent years it had averaged six millions. This large total increase, manifesting itself everywhere locally in the shape of an increased and increasing rate, alarmed people; they saw the mass of pauperism growing before their eyes, and the property of the country thereby threatened with a slow but sure annihilation. The question suggested itself, Could any means be devised to diminish this mass of pauperism, or at least to arrest its further growth? And, from a certain vague knowledge that all possessed of the state of the case, and especially of the causes of the sudden increase between 1785 and 1801, people were generally disposed to return an affirmative answer to this question.

In the first years of the operation of the act, the poor-rates fell by more than two millions annually. Thus, in 1833, 1834, and 1835, the three last years of the old law, and when the agitation against it must have already had some effect in keeping down the rates, their amounts were £ 6,790,799, £ 6,317,255, and £ 5,526,418, respectively; while in 1836, 1837, and 1838, they were respectively £ 4,717,630, £ 4,044,741, and £ 4,123,604. So efficient was the working of the act in one direction, that, we have been told, many publicans, whose houses had formerly been frequented by paupers, look back to the epoch of its initiation with the saddest recollections, as to a time when their business was curtailed by one half. — *Ibid.*

Importance of the Census. — A well organized system of civil registration ("*état civil*") is therefore one of the first wants of an enlightened people. No man in such a people is above or beneath the obligation of authenticating his existence, his claims on the protection of his country, and his fulfilment of the duties of a citizen, — or of contributing his individual quota of information, in what personally concerns himself or his family, in reply to any system of queries which the government in its wisdom may see fit to institute respecting them. Such information may be regarded as a poll-tax, which, in this form, a government is fairly entitled to impose, and which indeed is at once the justest and least onerous of taxes; or rather, it may be looked on as a mode of self-representation, by which each individual takes a part in directing the views of the legislature in objects of universal concern. Nothing, therefore, can be more unreasonable than to exclaim against it, or to endeavour to thwart the views of government in establishing such a system, — nor any thing more just than to guarantee its fidelity by penalties imposed on false returns or wilful omissions.

The analysis of the population returns of a great nation, or rather the drawing from that analysis, duly executed according to rational classifications, just and philosophical conclusions, is a task calling for the

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exercise of much acuteness and discrimination in appreciating the influence which the relative proportions between the classes, as to age, condition, calling, must necessarily have on national character and habits, and in weighing — with reference to future prospects — the probable influence on that character and those habits which is involved in even a very moderate observed change, from time to time, in those proportions. — *Edinburgh Review*, 1850.

Population and Industry. — The numerical tables of a population, when made with care and with all the development which science requires . . . . . form, in the annals of a people, the most eloquent page that a statesman can read, if he understand them well. In fact, it only belongs to the practical observer completely to understand the language of figures, and not to go beyond what they can teach him. Censuses, well made, and which succeed one another on a uniform plan and at intervals sufficiently near, should present most precise notions of the physical and moral condition of a people, — of the degree of its power, — of its prosperity, — and of the tendencies which may compromise its future: they would teach much better than voluminous inquiries, which are often fettered by prejudices and private interests, what we ought to think of the retrograde state of the immoderate development of certain branches of industry. — *Quetelet on Probabilities.*

Statistics. — Whether statistics be an art or a science, or a scientific art, we concern ourselves little. Define it as we may, it is the basis of social and political dynamics, and affords the only secure ground on which the truth or falsehood of the theories and hypotheses of that complicated science can be brought to the test. — *Edinburgh Review*, 1850.

THE INFLUENCES OF RAILROADS.

From Lardner's Railway Economy. Published by Harper & Brothers. New York. 1850.

Influence of Improved Transport. — The art by which the products of labor and thought, and the persons who labor and think, are transferred from place to place, is, more than any other, essential to social advancement. Without it no other art can progress. A people who does not possess it cannot be said to have emerged from barbarism. A people who has not made some advances in it cannot yet have risen above a low state of civilization. Nevertheless, this art has been, of all others, the latest in attaining a state of perfection, so late, indeed, that the future historian of social progress will record, without any real violation of truth, that its creation is one of the events which have most eminently signalized the present age and generation. For, although transport by land and water was practised by our forefathers, its condition was so immeasurably below that to which it has been carried in our times, that a more adequate idea of its actual state will be conveyed by

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calling it a new art, than by describing it as an improvement on the old one.

But if human invention have been late in directing its powers to this object, it must be admitted to have nobly compensated for the tardiness of its action by the incomparable rapidity of advancement it has produced, when once they have been brought into play. Within a hundred years more has been accomplished in facilitating and expediting intercommunication than was effected from the creation of the world to the middle of the last century. This statement may, perhaps, appear strained and exaggerated, but it will bear the test of examination.

Effect of Cheap Transportation on Prices. — In countries where transport is dear and slow, there consequently arises great disadvantage, not only to the rural, but also to the urban population. While the class of articles just referred to are at a ruinously low price in the rural districts, they are at a ruinously high price in the cities and larger class of towns. In the country, where they exist in superfluity, they fetch comparatively nothing: in the towns, where the supply is immeasurably below the demand, they can only be enjoyed by the affluent.

France, one of the most civilized states of Europe, exhibits a deplorable illustration of this. Notwithstanding the fertility of her soil, the number, the industry, and intelligence of her population, the products of every description, animal and vegetable, which abound in her territory, yet, from the absence of sufficiently easy means of intercommunication, these advantages have been hitherto almost annihilated. All these productions, in the place where they are raised, can be obtained at a lower price than in most other countries; and yet, in consequence of the cost of transport, they would attain, if brought to the place where they are in demand, a price which would amount to a prohibition on their consumption. From this cause the industry of France has long been to a great extent paralyzed.

Effect on the Agricultural Resources of the Country. — The extent of soil by which great cities are supplied with perishable articles of food, is necessarily limited by the speed of transport. A ring of country immediately about a great capital is occupied with market-gardens and other establishments for supplying the vast population collected in the city with their commodities. The width of this ring will be determined by the speed with which the articles in question can be transported. It cannot exceed such a breadth as will enable the products raised at its extreme limit to reach the centre in such a time as may be compatible with their fitness for use.

It is evident that any improvement in transport which will double its speed will double the radius of this circle; an improvement which will treble its speed will increase the same radius in a threefold proportion. Now, as the actual area or quantity of soil included within such a radius is augmented, not in the simple ratio of the radius itself, but in the proportion of its square, it follows that a double speed will give a fourfold area of supply, a triple speed a ninefold area of supply, and so on. How great the advantages therefore are, which in this case attend increased speed, are abundantly apparent.

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EFFECTS ON COMMERCIAL RELATIONS. — Nothing facilitates and develops commercial relations so effectually as cheap and rapid means of intercommunication. When, therefore, all nations shall be found more intimately connected with each other by these means, they will inevitably multiply their exchanges, and general commerce will undergo great extension, mutual interest will awaken moral sympathies, and will lead to political alliances. After having for ages approached each other only for war, peoples will henceforward visit each other for purposes of amity and intelligence, and old antipathies, national and political, which have so long divided and ruined neighbouring states, will speedily vanish.

But if, in spite of this general tendency toward pacific progress and peace, war should occasionally break out, the improved means of communication will aid in bringing it to a prompt close. A single battle will decide the fate of a country, and the longest war will be probably circumscribed within a few months.

The advantages of good means of communication in the diffusion of knowledge, and the increase of civilization by intellectual means, are not less considerable. While the means of intercommunication are slow, difficult, and costly, great cities have a tendency to monopolize intelligence, civilization, and refinement. Their genius and talent are naturally attracted, while the rural districts are left in a comparatively rude and almost barbarous state. With easy and rapid means of locomotion, however, the best part of the urban population circulates freely through the country. This interfusion improves and civilizes the rural population. The highest intelligence will be occasionally found, both in public and in private, diffusing knowledge and science in the remotest villages. We cannot now take up a London journal without observing announcements of men distinguished in the various branches of knowledge and art, visiting the various towns and villages of the provinces, and delivering there lectures on science, and entertainments and exhibitions in the fine arts. So rapid are the communications, that it is frequently announced that this or that professor or artist will, on Monday evening, deliver a lecture or entertainment in Liverpool, on Tuesday in Manchester, on Wednesday in Preston, on Thursday in Halifax, on Friday in Leeds, and so forth.

CONTRAST BETWEEN 1678 AND 1849. — In 1678, a contract was made to establish a coach for passengers between Edinburgh and Glasgow, a distance of forty-four miles. This coach was drawn by six horses, and the journey between the two places, to and fro, was completed in six days. Even so recently as the year 1750, the stage-coach from Edinburgh to Glasgow took thirty-six hours to make the journey. In this present year, 1849, the same journey is made, by a route three miles longer, in one hour and a half!

In the year 1763 there was but one stage-coach between Edinburgh and London. This started once a month from each of these cities. It took a fortnight to perform the journey. At the same epoch the journey between London and York required four days.

In 1835 there were seven coaches started daily between London and Edinburgh, which performed the journey in less than forty-eight hours.

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In this present year, 1849, the same journey is performed by railway in twelve hours!

Speed of British Railroads.

Tabular Analysis of the Movement of the Passenger Traffic on the Principal Lines of Railway diverging from London, showing the average Speed, Stoppages, &c., of each Class of Trains. — N. B. An average loss of five minutes is allowed for each stoppage, except in particular cases, where a greater delay is fixed by the programme. This is intended to include the time lost in coming to rest and getting up speed.

Name of Railway.	Train.	Distance travelled.	Time.	No. of Stoppages.	Average Speed. including Stoppages.	Actual Speed in Motion. excluding Stoppages.
		Miles.	*h. m.*		*Miles per hour.*	*Miles per hour.*
London to Liverpool,	Express, .	201	5 45	5	35.00	37.75
" "	Express Mail,	201	6 45	15	29.75	36.60
" "	Mail, . . .	201	7 57	15	25.25	31.00
" "	1st and 2d cl.,	201	8 0	20	25.10	31.70
" "	3d class, . .	201	14 45	45	13.65	18.25
London to Exeter, . .	Express, .	193¼	4 30	7	43.00	51.60
" "	Mail, . . .	193¼	7 10	21	27.00	36.80
" "	1st and 2d cl.,	193¼	7 15	25	26.65	38.60
" "	3d class, . .	193¼	13 5	37	14.75	19.32
London to Southampton,	Express, .	80	2 15	6	35.60	45.80
" "	Mail, . . .	80	3 0	11	26.65	38.25
" "	1st and 2d cl.,	80	3 20	13	24.10	35.50
" "	3d class, .	80	4 45	18	16.85	24.65
London to Dover, . .	Express, . .	88	2 30	8	35.20	48.50
" "	Mail, . .	88	2 30	5	35.20	42.10
" "	1st and 2d cl.,	88	3 45	15	23.45	29.35
" "	3d class, . .	88	4 0	17	22.00	30.40
London and Brighton, .	Express, .	50½	1 30	1	33.80	35.85
" "	Mail, . . .	50½	1 30	3	33.80	40.50
" "	1st and 2d cl.,	50½	2 0	3	25.25	28.90
" "	3d class, . .	50½	2 25	11	20.65	33.30
Totals and averages, ...		2,652	108 42	301	24.45	32.00

Tabular Analysis showing the average daily Mileage of Tons of Goods, and the average Number of Tons carried daily per Mile, on the under-mentioned Railways, during the Twelve Months ending June 30, 1847.

	Number of Miles open.	Average daily Mileage.	Average Number of Tons carried daily per Mile.
London and Northwestern, ...	428	269,639	631
Great Western, ...	245	52,075	212
Midland, ...	283	103,085	364
London, Brighton, and South Coast, . .	135	9,187	68
London and Cambridge, London and Colchester, } Eastern Counties,	182	42,919	235
Bristol and Birmingham, ...	85	24,132	283
London and Southwestern, ...	190	19,241	101
York and Newcastle, ...	229	80,651	352
York and North Midland, ...	175	33,244	190
Lancashire and Yorkshire, ...	108	49,240	456
All the remaining lines, ...	976	330,650	333

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French Railroads.

Synopsis of the Length and Cost of Construction of Fifteen of the principal French Railways.

Name of Railway.	Length under Traffic. *Miles.*	Total Expenses of Construction and Working Stock. £	Average Cost per Mile. £
North,	321	7,216,596	22,481
Amiens and Boulogne,	77	1,562,564	20,293
Paris and Rouen,	85	2,682,878	31,563
Rouen and Havre,	55	2,324,790	42,269
Rouen and Dieppe,	31	570,440	18,400
Paris and Versailles (right bank),	11.8	740,258	62,734
" " (left bank),	10.5	690,832	65,700
Paris and Orleans,	81.5	2,324,784	28,525
Orleans and Tours,	71.5	1,749,628	24,470
Tours and Angers,	67	1,355,916	20,239
Centre,	142	3,473,812	24,463
Avignon and Marseilles,	78	2,894,193	37,105
Strasburg and Basle,	87	1,788,536	20,557
Paris and St. Germain,	13	996,399	76,646
Lyons and St. Etienne,	36	949,866	26,385
Totals and averages,	1167.3	31,321,492	26,832

British Railways. — The report of her Majesty's Commissioners of Railways for the year 1849, just issued, is considered by city authorities to be satisfactory, particularly as regards the future prospects of these vast investments, it being evident that traffic is regularly and gradually increasing, that working expenses are being reduced, and a better mode of management becoming understood, which must shortly be adopted. The report shows that there are now, in round numbers, six thousand miles of railway open for traffic, which has cost the proprietors £ 200,000,000, or about £ 33,000 per mile; there are also nearly one thousand miles in course of construction, on which about £ 20,000,000 have already been expended; so that about £ 13,000,000 will be required to complete the works now in progress. Parliament has sanctioned the making of 5,000 miles more than has already been alluded to; but the greater portion of these has been abandoned, and it is questionable if any part will ever be heard of more. The gross receipts for the year, of the 5,996 miles opened on the 31st December last, amounted to £ 11,806,000, deducting from which the working expenses at the rate of forty-three per cent. would leave a net profit of £ 6,729,420, equal to 3.40 per cent.; but as nearly one fourth of the capital is borrowed at a higher rate of interest than this, the difference must be deducted, and then an available profit of about three per cent. remains as the *average* of all the railways in the kingdom. An opinion is now gaining ground that railways have passed the worst stage of depression, and that, with a daily increasing population, a development of trade, and a greater appreciation of the benefits of railway traffic, coupled with improvements of machinery, and a consequent reduction of working expenses, this description of property will improve under the present plethora of money and the progressive character of our commerce. — *London Morning Chronicle, Aug.* 3, 1850.

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AMERICAN GENIUS. — The Twenty-Third Annual Fair of the American Institute will be held at Castle Garden, in the City of New York, in October, 1850.

The manufacturers, mechanics, inventors, artisans, farmers, gardeners, and silk culturists of the United States, are respectfully invited to bring the choicest productions of their skill, labor, and invention, and compete for the premiums of the Institute, which will be liberally bestowed.

The managers awarded, at the last two Fairs, 108 gold medals, 545 silver medals, 125 silver cups, 871 diplomas, 282 volumes of agricultural books, and 342 dollars in cash premiums. They have appropriated $500 to be awarded at the Fair of 1850 to apprentices and minors, for specimens of art and industry in their respective occupations; satisfactory evidence must be produced, showing that the specimens exhibited by them are entirely the result of their own skill and industry.

The Cattle Show, Spading Match, Ploughing, and Testing of Ploughs, will be held under the direction of the Board of Agriculture. Arrangements will be early made, and due notice given of the holding of this part of the exhibition. It will be opened for pure breed and all useful farm stock from any part of the United States. The Spading Match, Ploughing, and Testing of Ploughs, will be held in conjunction with the Society of Agriculture and Horticulture of Westchester Co., New York, at the time of holding their county Fair, which will be on Friday, the 11th day of October. The Cattle Show will be held at Madison Cottage, corner of Fifth Avenue and Twenty-third Street, and open to the public on the 16th and 17th of October. The lists of stock, with pedigrees, should be handed in as early as the 14th of October, in order that the committee may have time to prepare lists for the judges. A detailed statement and programme of the Board of Agriculture will be completed and published without delay.

ESSAYS ON MONEY, COINS, AND BULLION.

BY J. R. McCULLOCH, ESQ.

AUTHOR OF "THE DICTIONARY OF COMMERCE," "PRINCIPLES OF POLITICAL ECONOMY," &C.

The following Essays are republished from the seventh edition of "The Encyclopædia Britannica," edited by the late Professor Napier, of Edinburgh. In the present edition these writings have been divided into chapters, for more convenient reference, and are also furnished with a separate index to each essay.

[We consider it unnecessary to make any apology for occupying a large space of our present number with Mr. McCulloch's article on Money, &c. The conclusion of the article will be given in our next number, — and in the mean while we commend it to the close attention of our readers. Mr. McCulloch's Essays on "Interest" and on "Exchange" have been already published in the prior numbers of this Magazine for the year 1850. The three several Essays are also published in a separate volume, making 144 pages, copies of which may be had of booksellers throughout the Union. Copies will be supplied also, per mail, by the publisher of the Bankers' Magazine, for the convenience of those who wish them more speedily. Price seventy-five cents each. — ED. B. M.]

McCULLOCH'S ESSAYS. — Mr. McCulloch has condensed a great mass of knowledge, which men of all parties should be glad to see so put together, in his "Political Economy," "Exchange," "Interest," "Taxation," "Paper Money," and "Principles of Banking." — *London Quarterly Review.*

McCULLOCH ON TAXATION. — This work embraces one of the most extensive, and pre-eminently the most practical department of the all-important science to which it belongs; and it comes to us recommended by the authorship of one of the most distinguished cultivators of that science.

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It is a work with which not only every statesman and legislator, but every reflecting member of the community, ought to make himself acquainted; and we have no hesitation, therefore, in saying that Mr. McCulloch has, by the thought and labor he has devoted to its composition, added another strong claim to those he had before established upon the gratitude of his countrymen. — *London Quarterly Review.*

AN ESSAY ON MONEY,

WITH REMARKS ON COINS, BULLION, METALLIC AND PAPER CURRENCY, SEIGNORAGE, DEGRADATION OF THE STANDARD, &c.; TOGETHER WITH COPIOUS TABLES OF THE WEIGHT, VALUE, &c., OF THE COINS OF VARIOUS NATIONS.

BY J. R. McCULLOCH.

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CHAPTER I.

CIRCUMSTANCES WHICH LED TO THE USE OF MONEY. — PRINCIPAL PROPERTIES THAT EVERY COMMODITY USED AS SUCH OUGHT TO POSSESS. — NOT A SIGN OR A MEASURE OF VALUE, BUT A REAL EQUIVALENT.

Circumstances leading to the Use of Money.

MONEY is a term used to designate whatever commodity the inhabitants of any particular country accept, either voluntarily or by compulsion, as an equivalent for their labor, and for whatever else they have to dispose of.

A country in which the division of labor was unknown, and where every individual or family directly produced the commodities necessary for his or their consumption, would have no exchanges, and consequently no money. But after the division of labor has been established, the introduction of money becomes necessary, or, at least, highly advantageous. A very small part only of a man's wants is then directly supplied by his own labor. The greater part is indirectly supplied by exchanging that part of the produce of his labor which exceeds his own consumption, for such parts of the produce of other men's labor as he has occasion for, and they are willing to part with. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.

"But when the division of labor first began to take place, this power of exchanging must frequently have been very much clogged and embarrassed in its operations. One man, we shall suppose, has more of a certain commodity than he himself has occasion for, while another has less. The former, consequently, would be glad to dispose of, and the latter to purchase, a part of this superfluity. But if this latter should chance to have nothing that the former stands in need of, no exchange can be made between them. The butcher has more meat in his shop

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than he himself can consume, and the brewer and the baker would each be willing to purchase a part of it; but they have nothing to offer in exchange except the different productions of their respective trades, and the butcher is already provided with all the bread and beer which he has immediate occasion for. No exchange can, in this case, be made between them. He cannot be their merchant, nor they his customers; and they are all of them thus mutually less serviceable to one another. To avoid the inconvenience of such situations, every prudent man in every period of society, after the establishment of the division of labor, must naturally have endeavoured to manage his affairs in such a manner as to have at all times by him, besides the peculiar produce of his own industry, a certain quantity of some one commodity or another, such as he imagined few people would be likely to refuse in exchange for the produce of their industry." (*Wealth of Nations*, vol. i. p. 43, McCulloch's edition.)

Commodities used as Money in Different Countries.

An infinite variety of commodities have been used as money in different countries and states of society. Those nations who chiefly subsist by the chase, such as the ancient Russians, and the greater part of the Indians who now occupy the uncultivated portion of America, use the skins of wild animals as money. In a pastoral state of society, cattle are most commonly used for that purpose. Homer tells us that the armour of Diomede cost only nine oxen, whilst that of Glaucus cost one hundred. (*Ilia.* lib. 6, lin. 235.) The etymology of the Latin word (pecunia) signifying money, and of all its derivatives, proves that cattle (pecus) had been the primitive money of the Romans. They had also been used as such by the ancient Germans; for their laws uniformly fix the amount of the penalties to be paid for particular offences in cattle. (Storch, *in loco citato.*) In remoter ages corn was very generally used in agricultural countries as money; and even now it is by no means uncommon to stipulate for corn rents and wages. Other commodities have been used in different countries. Salt is said to be the common money of Abyssinia (*Wealth of Nations*, i. p. 45); a species of shell called cowries, gathered on the shores of the Maldive Islands, are used in smaller payments throughout Hindustan, and form the only money of extensive districts in Africa. Dried fish forms the money of Iceland and Newfoundland, and sugar of some of the West India Islands; and Dr. Smith mentions that there was, at the period of the publication of the "Wealth of Nations," a village in Scotland where it was customary for a workman to carry nails as money, to the baker's shop or the ale-house. (*Wealth of Nations*, i. p. 45.)

Defects of these Commodities.

But these commodities are universally deficient in some of the requisites which every commodity used as money ought to possess. Products must frequently be brought to market worth only half an ox, or half a skin; but as an ox could not be divided, and as the division of a skin would probably deprive it of the greater part of its value, it would be impossible to

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exchange them for such money. Divisibility is not, however, the only indispensable requisite in a commodity used as a medium of exchange. It is necessary that it should admit of being kept for an indefinite period without deteriorating; that it should, by possessing great value in small bulk, be easily transported; and that one piece of money, of a certain denomination, should always be precisely equivalent to every other piece of money of the same denomination. But none of the commodities above named as having been used as money possesses these properties. Though cattle had been sufficiently divisible, they could neither be preserved, nor transported from one place to another, without a great deal of trouble and expense; while, owing to the difference in their qualities, one ox might be worth two or three oxen of an inferior species. It is plain, therefore, that they could not serve as money except in a very rude state of society, when the arts were almost unknown, and when the rearing of cattle formed the principal employment. Corn was sufficiently divisible; but its bulk was far too great in proportion to its value to admit of its easy transportation, and it was also of very different and not easily appreciated qualities. Salt, sugar, shells, and fish, are all liable to insuperable objections. The values of equal quantities of all of them differ very greatly; some of them cannot be divided, and others cannot be preserved or transported without great loss.

But the commodities in question were deficient in a still more important particular. Their value was not sufficiently *invariable* to permit of their being advantageously used as money. They were not durable commodities, nor was it possible to adjust their supply so as to avoid sudden fluctuations of price. The occasional abundance and scarcity of pasture has a powerful influence on the price of cattle, which is still more seriously affected by the prevalence of epidemical diseases, and other contingencies. The fluctuations in the price of corn, arising from the variations of the seasons, are too striking and obvious to require to be pointed out. And in the islands where cowries are picked up, a strong gale from a particular point of the compass has frequently, in a few hours, sunk their value considerably. It was impossible, therefore, that such commodities could ever be either generally or permanently used as money in civilized societies. No person would willingly exchange the produce of his industry for a commodity which might, in a few weeks, or even days, lose a third or a half of its value.

Gold and Silver the fittest Materials for Money, and first used in the shape of Bars or Ingots.

The desire of uniting the different qualities of invariability of value, divisibility, durability, facility of transportation, and perfect sameness, doubtless formed the irresistible reasons which have induced mankind, in every civilized society, to employ gold and silver as money. The value of these metals is certainly not invariable, but it changes only by *slow* degrees; they are divisible into any number of parts, and have the singular property of being easily reunited, by means of fusion, without loss; they do not deteriorate by being kept; and, from their firm and compact

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texture, they are very difficult to wear; their cost of production, especially of gold, is so considerable, that they possess great value in small bulk, and can, of course, be transported with comparative facility; and an ounce of pure gold or silver, taken from the mines in one quarter of the world, is precisely identical with an ounce of pure gold or silver dug from the mines in any other quarter. No wonder, therefore, when almost all the qualities necessary to constitute money are possessed in so eminent a degree by the precious metals, that they have been used as such, in civilized societies, from a very remote era. They became *universal* money, as M. Turgot has observed, "not in consequence of any arbitrary agreement among men, or of the intervention of any law, but by the nature and force of things."

A considerable period must, however, have elapsed after the introduction of the precious metals into commerce, before they were generally used as money. But, by degrees, the various qualities, which so peculiarly fit them for this purpose, would become obvious; and every individual, in consulting his own advantage, would endeavour to exchange a part, at least, of the produce of his industry for commodities which could be easily concealed or carried about, which did not deteriorate by being kept, and of which he could give a portion equal in value to the value of any other commodity he might afterwards wish to obtain. When first brought to market, gold and silver, like copper, iron, or any other metal, were in an unfashioned state, in bars or ingots. A sheep, an ox, a bushel of wheat, &c., was then bartered for a piece of gold or silver, exactly as it would have been bartered for iron, copper, cloth, or any other commodity. The parties first agreed upon the *quality* of the metal to be given for the goods, and the *quantity*, which the possessor of the metal had bound himself to pay, was next ascertained by weight. Nor is this a mere conjectural statement, advanced in a later age to explain appearances, and resting on probability only. Aristotle (*Polit.*, lib. i. cap. 9) and Pliny (*Hist. Nat.*, lib. xxxiii. cap. 3) tell us, that such was, in fact, the original method by which the precious metals were exchanged in Greece and Italy; and the sacred writings present us with a striking and remarkable example of the prevalence of the same primitive practice in the East. We are there told that Abraham *weighed* four hundred shekels of silver, and gave them in exchange for a piece of ground he had purchased from the sons of Heth. (*Genesis*, chap. xxiii. ver. 16.) It is also mentioned, that this silver was "*current money with the merchant*," an expression which evidently refers to its quality only. For, had it been coined, or marked with a stamp, indicating its weight and fineness, it would have been unnecessary to have weighed it. These ancient practices still subsist in various countries. In many parts of China, gold and silver do not circulate as coin under the authority of a public stamp, but their value is always ascertained by weight. When exchanged, they are cut into pieces, supposed to be nearly proportioned to the value of the commodity they are to be given for; and the pieces are then weighed to ascertain their precise value. This practice is also prevalent in Abyssinia and Tonquin. (Goguet, *De l'Origine des Loix, &c.*, tom. i. p. 268, 4to edit. See also Park's *Travels*, vol. i. p. 464, 8vo edit.)

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Before the art of metallurgy was well understood, the baser metals were frequently used as money. Iron was the primitive money of the Lacedæmonians, and copper of the Romans. But both iron and copper deteriorate by being kept; and, besides this defect, the rapid improvement of the arts, and the consequent reduction of their price, speedily rendered their bulk in proportion to their value too great to permit of their continuing to be used as money. Copper, however, is still advantageously used in the form of tokens, convertible into silver in very small payments. In Great Britain, copper pence and halfpence are at present rated at about seventy-two per cent. above their real value; but as the issue of them is exclusively in the hands of government, and as they are legal tender to the extent of one shilling only, in any one payment, this over-valuation has not, for reasons which we shall afterwards explain, had any bad effect. (See *Memorandum on the Silver Coinage of* 1817, *by the Master of the Mint*, p. 378 of the Appendix to the Lords' *Report on the Resumption of Cash Payments by the Bank.*)

Coinage of Gold and Silver.

The trouble and inconvenience attending the weighing of the quantity of metal in every exchange of gold and silver for commodities, must have been early experienced. But the greatest obstacle to the use of unfashioned metals as money, would undoubtedly be found in the difficulty of determining their quality, or the degree of their purity, with sufficient facility and accuracy. The operation of *assaying* is one of great nicety and delicacy; and, notwithstanding all the assistance derived from modern art, it is still no easy matter to ascertain the precise degree of purity of a particular piece of metal. In early ages, such an operation must have been performed in a very clumsy and bungling manner. It is most probable, indeed, that when the precious metals were first used as money, their quality was appreciated only by their weight and color. A very short experience would, however, be sufficient to show the extreme inexactness of conclusions derived from such loose and unsatisfactory criteria; and the devising of some method by which the fineness of the metal might be easily and correctly ascertained, would very soon be felt as indispensable to the general use of gold and silver as money. Such a method was not long in presenting itself. It was early discovered, that, to ascertain the purity of the metal, and also to avoid the trouble and expense of weighing it, no more was necessary than to mark each piece with a *stamp*, declaring its weight and fineness. Such seem to have been the various steps which led the ancients to the introduction of *coined* money (Goguet, *De l'Origine des Loix, &c.*, tom. i. p. 269); an invention of the very greatest utility, and which has, perhaps, contributed more than any other to facilitate commerce, and to accelerate the progress of civilization and the arts.

Advantages of Coined Money. — Coined Money not a Sign or a Measure of Value.

"Without some article of known exchangeable value, such as coin, readily received as an equivalent for other things, the interchange of

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commodities must have been very limited, and, consequently, the divisions of labor very imperfectly established. Now, money obviates these evils, and, by a twofold operation, augments production. In the first place, it saves all that time and labor which, while the intercourse between man and man is carried on by barter, must frequently intervene before a person can be supplied with the quantity of the commodity which he wants. In the second place, and in consequence of its saving the time and labor which must otherwise be spent in effecting exchanges, it multiplies the transactions of mercantile industry, and thus allows the divisions of employment to be more thoroughly established. By the first operation, it disengages a very considerable portion of labor from an unproductive occupation, and enables it to receive a more useful direction. By the second operation, it increases in a very high degree the productive powers of the labor already usefully employed. It assists every man in availing himself of the skill and dexterity which he may have acquired in any particular calling, and promotes cultivation in a manner suitable to the climate and soil of different districts, and of different countries. And by both these operations, coined money increases, to an extent not easy to be calculated, the wealth of civilized communities." (Torrens *On the Production of Wealth*, p. 305.)

But, whatever may be the advantages attending the use of coined money, and they are great and obvious, it is necessary to observe, that its introduction does not affect the nature of exchanges. Equivalents are still given for equivalents. The exchange of a quarter of corn for an ounce of pure, unfashioned gold bullion, is undeniably as much a real barter, as if it had been exchanged for an ox, or a barrel of beer. But supposing the metal to have been formed into a coin, that is, marked with a stamp indicating its weight and fineness, it is plain that circumstance could have made no change in the terms of the barter. The coinage saves the trouble of weighing and assaying the bullion, but it does nothing more. *A coin is merely a piece of metal of a known weight and fineness;* and the commodities exchanged for it are always held to be of equal value. And yet these obvious considerations have been very generally overlooked. Coined money, instead of being viewed in the same light as other commodities, has been looked upon as something quite mysterious. It was said to be both a *sign* and a *measure* of value. In truth, however, it is neither the one nor the other. A sovereign is not a sign, it is the thing signified. A promissory note, payable at some stated period, may not improperly be considered as the sign of the specie to be paid for it; but that specie is itself a commodity possessed of real exchangeable worth. It is equally incorrect to call money a measure of value. Gold and silver do not measure the value of commodities, more than the latter measure the value of gold and silver. Every thing possessed of value may either measure, or be measured by, every thing else possessed of value. When one commodity is exchanged for another, each measures the value of the other. If the quartern-loaf were sold for a shilling, it would be quite as correct to say, that a quartern-loaf measured the value of a shilling, as that a shilling measured the value of a quartern-loaf.

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Use of Gold and Silver as a Standard for estimating the Relative Value of Commodities. — Proof of the Non-existence of an Abstract or Ideal Standard.

The quality of serving as a measure of value is, therefore, equally inherent in every commodity. But the slow degrees by which the precious metals change their value, renders them peculiarly well fitted for forming a standard by which to compare the values of other and more variable commodities. To this standard reference is almost always made in estimating the value of the products of every civilized country. We do not say that one man is worth a thousand acres of land, and that another is worth a thousand sheep; but we ascertain for how much gold or silver the land and the sheep would exchange, and then say that their proprietors are worth so much money. In this, however, there is certainly nothing mysterious. We merely compare the value of one commodity with the value of another; and as coin or money has been found to be the most convenient standard of comparison, the value of all other commodities is usually estimated in it.

It is obvious, from this statement, that the terms of the exchange of one commodity, or set of commodities, for another, may be adjusted, with reference to money, without any money being actually in the possession of either of the parties making the exchange. If a horse, for example, had commonly sold for ten pieces of silver, an ox for five pieces, and a sheep for one piece, it would mark their relative values to each other, and the animals might be exchanged on this footing without the intervention of money. The frequent recurrence of transactions of this kind seems to have given rise to the notion of an abstract or ideal standard of value. Thus, instead of saying that a horse is worth ten pieces of silver, an ox five pieces, and a sheep one piece, it has been contended that it might equally have been said that they were respectively worth ten points or units, five points or units, and one point or unit; and that, as the proportional values of commodities might be as clearly expressed in these arbitrary terms as in money, or any commodity possessed of real value, the use of the latter, as a standard, might be advantageously dispensed with, and a set of abstract terms adopted in its stead. This, however, is completely mistaking the nature and object of a standard. A standard is not intended to mark the known relations between different commodities, but to enable us easily to discover those which are unknown. Now, although the series of arbitrary terms may serve extremely well for the first of these purposes, it is utterly impossible that they can ever serve for the second. This, however, is exclusively the object of a standard; and it is quite plain that nothing can be used as such which is not possessed of the same properties as the things with which it is to be compared. To measure length, a standard must have length; to measure value, it must have value. The value of commodities is ascertained by separately comparing their cost with the cost of money, and we express their relation to each other by simply stating the result of our inquiries; that is, by mentioning the number of livres, of pounds, or of fractions of a pound, they are respectively worth. And, when any new commodity is offered for sale, or when

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any change is made in the cost of an old one, we ascertain their relation to the rest, by merely comparing them with a livre or a pound. It is plainly impossible, however, that we could have done this, had the terms livre, or pound, been purely arbitrary, and referable to no really valuable article. We might as well try to estimate distances by an imaginary inch, or an imaginary foot, as to estimate prices or values by an imaginary shilling, or an imaginary sovereign. When we say that an ox is worth five pounds and a sheep only one, we really mean no more than that, when an ox and a sheep are compared together, that is, when the one serves as a standard by which to estimate the value of the other, one ox is found to be worth five sheep. But, suppose that we wish to ascertain what is the relative value of some other commodity; of a pound of tea, for example; to oxen or sheep, of what use would it be to be told that one ox was worth five sheep, or that, when the value of an ox was represented by the imaginary term "five pounds," the value of a sheep was represented by the imaginary term "one pound?" It is not the relation between oxen and sheep, but the relation between these animals and tea, that we are desirous of learning. And, although this relation may be learned by comparing the cost of producing oxen and sheep with the cost of producing tea, or by ascertaining for how much of some other commodity an ox, a sheep, or a pound of tea will respectively exchange, it is obvious it could never be learned by comparing them with a set of arbitrary terms or symbols! It would not, in truth, be more absurd to attempt to ascertain it by comparing them with the hieroglyphics on an Egyptian sarcophagus. Nothing that will not exchange for something else, can ever be a standard, or measure of value. Commodities are always compared with commodities, and not with abstract terms. Men go to market with real values, and not with the signs of values in their pockets. And it is to something possessed of real worth, to the gold contained in a sovereign and not in the word sovereign, that they always have referred, and must continue to refer, in estimating value.

The following passage of Montesquieu has often been referred to in proof of the existence of an ideal standard: — "Les noirs de la côte d'Afrique ont un signe des valeurs sans monnoie; c'est un signe purement idéal fondé sur le degré d'estime qu'ils mettent dans leur esprit à chaque marchandise, à proportion du besoin qu'ils en ont; une certaine denrée, ou marchandise, vaut trois macutes; une autre, six macutes; une autre, dix macutes; c'est comme s'ils disoient simplement trois, six, dix. *Le prix se forme par la comparaison qu'ils font de toutes les marchandises entre elles:* pour lors, il n'y a point de monnoie particulière, mais *chaque portion de marchandise est monnoie de l'autre.*" (*Esprit des Loix*, livre xxii. cap. 8.)

But, instead of giving any support to the notion of an abstract standard, this passage might be confidently referred to in proof of its non-existence. Had Montesquieu said that the blacks determined the values, or prices, of commodities, by comparing them with the arbitrary term *macute*, the statement, though false, would have been at least in point. But he says no such thing. On the contrary, he states distinctly, that the relative values of commodities (marchandises) are ascertained by comparing them

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with each other (entre elles), and that it is merely the result of the comparison that is expressed in arbitrary terms.

So much for the weight to be attached to this statement, supposing it to be well founded. The truth is, however, that the term *macute* is not really arbitrary, and employed only to mark an ascertained proportion, but that it has a reference to, and is, in fact, *the name of an intrinsically valuable commodity.* "On a bien dit," says l'Abbé Morellet, "que ce mot macute étoit une expression abstraite et générale de la valeur, et cela est vrai au sens où nous l'expliquerons plus bas; mais on n'a pas remarqué que cette abstraction a été consequente et posterieure à l'emploi du mot macute pour signifier une *marchandise, une denrée réelle à laquelle on avoit longtems comparé toutes les autres.*

"Macute en plusieurs lieux de la côte d'Afrique, est encore le nom d'une certaine étoffe: '*Chez les negres de la côte d'Angola,*' dit le voyageur Angelo, '*les macutes sont des pièces de nattes d'une aune de long*'; Jobson dit aussi que les macutes sont *une espèce d'étoffe.*

"Les étoffes ont toujours été l'objet d'un besoin tres-pressant chez des peuples aussi barbares, depourvus de toute espèce d'industrie. Les nattes en particulier leur sont de la plus grande nécessité. Elles sont divisées en morceaux peu considerables et d'une petite valeur; elles sont très-uniformes dans leurs parties, et les premières qu'on a faites auront pu être semblables les unes aux autres, et d'une bonté égale, sous la même dénomination; toutes ces qualités les ont rendu propres à devenir la mésure commune des valeurs." — (*Prospectus d'un Nouveau Dictionnaire de Commerce*, p. 121.)

The following extract from Park's *Travels* gives an example of a similar kind: — "In the early intercourse of the Mandingoes with the Europeans, the article that attracted most notice was iron. Its utility in forming the instruments of war and husbandry made it preferable to all others; and iron soon became the measure (standard) by which the value of all other commodities was ascertained. Thus a certain quantity of goods, of whatever denomination, appearing to be equal to a bar of iron, constituted, in the trader's phraseology, a bar of that particular merchandise. Twenty leaves of tobacco, for instance, were considered as a *bar* of tobacco; and a gallon of spirits (or rather half spirits and half water) as a *bar* of rum; a bar of one commodity being reckoned equal in value to a bar of another commodity. As, however, it must unavoidably happen, that, according to the plenty or scarcity of goods at market, in proportion to the demand, the relative value would be subject to continual fluctuation, greater precision has been found necessary; and, at this time, the current value of a single bar of any kind is fixed by the whites at *two shillings sterling.* Thus, a slave, whose price is £15, is said to be worth 150 bars." (*Travels in the Interior of Africa*, 8vo edit., vol. i. p. 39.)

In common mercantile language, the giving of money for a commodity is termed *buying*, and the giving of a commodity for money, *selling. Price*, unless when the contrary is particularly mentioned, always means the value of a commodity rated in money.

Having thus endeavoured to explain the circumstances which led to the introduction of money, and to show what it really is, and what it is not,

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we shall now proceed to investigate the laws by which its value is regulated. It is chiefly from the prevalence of erroneous opinions on this subject, that the theory of money has been so much misunderstood.

CHAPTER II.

CIRCUMSTANCES WHICH REGULATE THE EXCHANGEABLE VALUE OF MONEY.

THIS branch of our subject naturally divides itself into two parts: — 1st. An inquiry into the principles which regulate the exchangeable value of money when the power to supply is not monopolized; and, 2d. An inquiry how far these principles are liable to be affected by the operation of monopoly.

Cost of Production regulates the Value of Money, when the Power of Supply is not monopolized.

I. There does not now seem to be much room for difference of opinion respecting the circumstances that regulate the value of the precious metals, and their distribution throughout the various countries of the globe. Bullion is a commodity, on the production of which competition operates without restraint. It is not subjected to any species of monopoly, and its value in exchange must, therefore, be entirely regulated by the cost of its production, that is, by the quantity of labor required to bring a given quantity of it to market.

If, in every stage of society, it required precisely the same quantity of labor to produce a given quantity of bullion, its value would be ***invariable;*** and it would constitute a standard by which the variations in the exchangeable value of all other commodities could be *correctly* ascertained. But this is not the case either with bullion or any thing else. And its value fluctuates in the same way as that of other commodities, not only according to the greater or less productiveness of the mines from which it is extracted, but also according to the comparative skill of the miners, and the improvements of machinery.

M. Say has, in his work on *Political Economy*, a chapter "De la valeur que la qualité d'être monnoie ajouté à une marchandise." But a little reflection will convince us, that M. Say is mistaken, and that the circumstance of the precious metals being used as money cannot affect their value. M. Say reasons on the common hypothesis, that an increase of demand is always productive of an increase of value, an assumption totally at variance with principle and fact. Value depends upon the cost of production; and it is obvious that the cost of producing a commodity may be diminished, whilst the demand for it is increasing. This is so plain a proposition, as hardly to require to be substantiated by argument. And a reference to the case of cotton goods, the price of which has, notwithstand-

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ing the vast increase of demand, been constantly on the decline during the last half century, is enough to convince the most skeptical of the extreme erroneousness of M. Say's conclusion. But, with regard to the particular case of the precious metals, it is clear the capital devoted to the production of gold and silver must yield the common and ordinary rate of profit; for, if it yielded more than that rate, there would be an influx of capital to the mining business; and, if it yielded less, it would be withdrawn, and vested in some more lucrative employment. And hence, though the demand for gold and silver should, from the adoption of some other commodity as an instrument of exchange, gradually become less, the value of the precious metals would not, on that account, be reduced. A smaller supply would, indeed, be annually brought to market, and a portion of the capital formerly engaged in the mining, refining, and preparing of the metals, would be disengaged; but as the whole stock thus employed yielded only the average rate of profit, the portion which is not withdrawn must continue to do so; or, which is the same thing, gold and silver must still continue to sell for the same price. It is no doubt true, that where mines are, as they almost always are, of different degrees of productiveness, any great falling off in the demand for bullion might, by rendering it unnecessary to work the inferior mines, enable the proprietors of the richer mines to continue their work, and to obtain the ordinary rate of profit on their capitals, by selling bullion at a reduced price. In this case the value of bullion would be really diminished; but it would be diminished, not because there was a falling off in the demand, but because there was a *greater facility of production.* On the other hand, an increased demand for bullion, whether it arose from the general suppression of paper money, or from a greater consumption of gold and silver in the arts, or from any other cause, would not, unless it were necessary, in order to procure the increased supply, to have recourse to less productive mines, be accompanied by any rise of price. If the mines from which the additional supplies were drawn were less productive than those already wrought, more labor would be necessary to procure the same quantity of bullion, and, of course, its price would rise. But, if no such increase of labor was required, its price would remain stationary, though a thousand times the quantity formerly required should be demanded.

After gold and silver have been brought to market, their conversion into coin or manufactured articles, depends entirely on a comparison of the profits that may be derived from each operation. No bullion would be taken to the mint if it would yield a greater profit by sending it to a silversmith; and no silversmith would work up bullion into plate, if he could turn it to greater account by converting it into coin. The value of bullion and coin must, therefore, in countries where the expenses of coinage are defrayed by the state, nearly correspond. When there is any unusual demand for bullion in the arts, coin is melted down; and when, on the contrary, there is any unusual demand for coin, plate is sent to the mint, and the equilibrium of value maintained by its fusion.

It appears, therefore, that whilst competition operates without restraint on the production of gold and silver, they are, like all other things, produced under similar circumstances, valuable only in proportion to the

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cost of their production; that is, in proportion to the quantity of labor necessarily expended in bringing them to market. And hence, while they constitute the currency of the commercial world, the price of commodities, or their value compared with gold or silver, will vary, not only according to the variations in the exchangeable value of the commodities themselves, but also according to the variations in the value of the gold or silver with which they are compared.

The Proportion between the Supply and Demand regulates the Value of Money, when the Power of Supply is monopolized.

II. But if competition were not allowed to operate on the production of the precious metals, if they could be monopolized and limited in their quantity, their exchangeable value would no longer be regulated by the same principles. If, after the limitation, they still continued to be used as money, and if, in consequence of the improvement of society, manufactured commodities and valuable products should be very much multiplied, the exchanges which this *limited* amount of money would have to perform would be proportionably increased; and, of course, a proportionably smaller sum would be appropriated to each particular transaction; or, which is the same thing, money prices would be diminished. Whenever the supply of money is *fixed*, the amount of it, given in exchange for commodities, must *vary inversely as the demand, and can be affected by nothing else.* If double the usual supply of commodities be brought to market in a country with a limited currency, their money price will be reduced a half; and if only half the usual supply be brought to market, it will be doubled; and this, whether the cost of their production be increased or diminished. Produce is not then exchanged for money, on the ground that it is a commodity capable of being advantageously used in the arts, or that an equal quantity of labor has been expended on its production; but because it is the universal equivalent used by the society, and that, as such, it will be willingly received for the produce belonging to others. The remark of Anacharsis, the Scythian, that gold and silver coins seemed to be of no use but to assist in numeration and arithmetic (Hume's *Essay on Money*), would, if confined to a strictly *limited currency*, be as just as it is ingenious. Sovereigns, livres, dollars, &c., would then really constitute mere tickets or counters, for computing the value of property, and transferring it from one individual to another. And as small tickets, or counters, would serve for this purpose quite as well as large ones, it is unquestionably true, that a debased currency may, by first reducing, and then limiting its quantity, be made to circulate at the value it would bare if the power to supply it were unrestricted, and if it were possessed of the legal weight and fineness; and, by still further limiting its quantity, it might be made to pass at any higher value.

Thus it appears, that whatever may be the *material* of the money of any country, whether it consist of gold, silver, copper, iron, leather, salt, cowries, or paper, and however destitute it may be of all *intrinsic* value, it is yet possible, by *sufficiently limiting its quantity*, to raise its value in exchange to any conceivable extent.

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Suppose the money of Great Britain consists of 50,000,000 or 60,000,000 of one pound notes, and that we are prevented from increasing or diminishing this sum, either by issuing additional notes or coins, or by withdrawing the notes already in circulation; it is obvious that the quantity of commodities for which such notes would exchange, would increase or diminish precisely according to the increase or diminution of the commodities brought to market. If we suppose that ten times the amount of products that were offered for sale when the limitation of the currency took place, are offered for sale ten or twenty years afterwards, and that the rapidity of circulation has continued the same, prices will have fallen to *one-tenth* of their former amount; or, which is the same thing, the exchangeable value of the paper money will have increased in a tenfold proportion; and, on the other hand, if the products brought to market had diminished in the same proportion, the exchangeable value of the paper money will have been equally reduced.

The principles we have now stated are of the utmost importance to a right understanding of the real nature of money. Previously to the publication of Mr. Ricardo's *Principles of Political Economy*, every writer of authority maintained, that the value of money depended entirely on the relation between its amount and the demand. But this is true only of a gold or silver currency when its quantity is *limited*, and of a currency formed of materials having little intrinsic worth, as paper, when its quantity is *limited*, and it is not made convertible, at the pleasure of the holder, into some more valuable commodity, the production of which is under no restraint. It is obvious, indeed, without any reasoning on the subject, that the value of a currency that costs little or nothing, can only depend on the proportion which its amount bears to the commodities brought to market, or to the business it has to perform. And wherever a currency of this kind, or a limited gold currency, is in circulation, the common opinion, that the prices of commodities are regulated exclusively by the proportion between the quantity of them brought to market, and the supply of money, and that any considerable increase or diminution of either will proportionally affect prices, is quite correct. It is altogether different, however, with a currency consisting of gold or silver, or of any other commodity possessed of considerable value, and the supply of which may be increased to an unlimited extent by the operation of unrestricted competition.

The fluctuations in the supply of, and demand for, such money, have no permanent effect on its exchangeable value; this depends exclusively on the comparative *cost of its production*. If a sovereign commonly exchanges for a couple of bushels of wheat, or a hat, it is because the same labor is required for its production as for that of either of these commodities; while, if with a limited and inconvertible paper money, they exchange for a one pound note, it would be because such was the proportion which, as *a part of the mass of commodities offered for sale, they bore to the supply of paper or money in the market.* This proportion would, it is evident, be not only immediately, but permanently, affected by an increase or diminution either of paper or commodities. But the relation which commodities bear to a freely supplied metallic currency, could not be

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permanently changed, except by a change in the cost of producing the commodities or the metals.

Our readers must not conceive from what is now stated, that we mean to contend that the value of gold or silver is never affected by variations of supply and demand. Such an opinion would be altogether erroneous. At the same time it must be admitted, that their value is much less affected by such variations, than that of almost any other commodity. Their great durability precludes the possibility of any sudden diminution of their quantity, while the immense surface over which they are spread, and the various purposes to which they are applied, prevent any unusual productiveness of the mines from speedily lowering their value. An extraordinary event, such as the discovery of America, or the establishment of an intercourse between a country where bullion bore a high value, and one where its value, from the greater facility of its production, was comparatively low, would, by causing a sudden exportation and importation, raise its value in the one country, and sink it in the other. But such events must necessarily be of very rare occurrence. And although the different productiveness of the mines, to which, in the progress of society, recourse must be had, and the successive improvements in the art of mining and working metals, must render the value of gold and silver very different at distant periods, it is abundantly uniform to secure us against all risk of sudden and injurious fluctuations.

Such are the circumstances which regulate the value of money; first, when the power to supply it is not subjected to any species of monopoly; and, second, when it is monopolized and limited. In the former case, its value depends, like that of all other commodities, on the cost of its production; while, in the latter case, its value is totally unaffected by that circumstance, and depends entirely on the extent to which it has been issued, compared with the demand.

The conclusions deducible from the fundamental principle we have thus endeavoured to establish, are of the utmost importance. A metallic currency, on the coinage of which a high seignorage or duty was charged, and a paper currency not convertible into the precious metals, were occasionally seen to circulate at the same value with a metallic currency of full weight, and which had been coined at the expense of the state. But no rational or consistent explanation of these apparently anomalous results could be given until the effects produced by limiting the supply of money had been accurately appreciated. Now, however, that this has been done, all these difficulties have disappeared. The theory of money has been perfected, and we are enabled to show what, under any given circumstances, would be the effect of imposing a seignorage, or of issuing an inconvertible paper currency.

Seignorage, strictly speaking, means only the clear revenue derived by the state from the coinage; but it is now commonly used to express every deduction made from the bullion brought to the mint to be coined, whether on account of duty to the state, or of the expense of coinage (properly *brassage*). We always use the phrase in its more enlarged sense

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CHAPTER III.

A MODERATE SEIGNORAGE ON COINED MONEY SHOWN TO BE ADVANTAGEOUS. — PRINCIPLES WHICH SHOULD REGULATE ITS AMOUNT.

Reasons why a Seignorage should be imposed on Coined Money.

The government of almost every country has retained the power of coining exclusively in its own hands. In antiquity this privilege was reserved merely to prevent the confusion that must attend the circulation of coins of different denominations, were individuals permitted to issue them at pleasure, and to give the public greater security, that the stamp should truly indicate the weight and fineness of the metal. (Le Blanc, *Traité Historique des Monnoyes de France*, p. 90, ed. Amst. 1692.) But in more modern times it has been used, not only as a means of affording a better guarantee to the public, but also of increasing the revenues of the state. As to the expediency of this, however, much difference of opinion has existed. It has been contended that the state ought in no circumstances to charge any duty on coined money; and that the expenses of the mint should always be defrayed by the public. In this opinion we cannot concur; and it appears to us that the reasoning of Dr. Smith, in favor of a moderate seignorage, is quite unanswerable. No good reason has yet been given why those who want coins should not have to pay the expenses of manufacturing them. Coinage, by saving the trouble and expense attending the weighing and assaying of bullion, indisputably adds to the value of the precious metals. It renders them fitter to perform the functions of a circulating medium. A sovereign is of greater value than a piece of pure unfashioned gold bullion of the same weight; and for this plain reason, that while it is equally well adapted with the bullion for being used in the arts, it is better adapted for being used as money, or in the exchange of commodities. Why, then, should government be prevented from charging a seignorage, or duty on coins, equal to the expenses of the coinage, or, which is the same thing, to the value which it adds to the bullion? Those who contend that the state ought to defray the expense of the coinage, might, with equal cogency of reasoning, contend that it ought to defray the expense of manufacturing gold and silver teapots, vases, &c. In both cases the value of the raw material, or bullion, is increased by the cost of workmanship. And it is only fair and reasonable, that those who carry bullion to the mints, as well as those who carry it to the jewellers, should have to pay the expenses necessarily attending its conversion into coin.

But there are other reasons why a seignorage, to this extent at least, ought to be exacted. Wherever the expenses of coinage are defrayed by the state, an ounce of coined gold or silver, and an ounce of gold or silver bullion, must be very nearly of the same value. And, hence, whenever it becomes profitable to export the precious metals, coins, in the manufac-

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ture of which a considerable expense has been incurred, are sent abroad indifferently with bullion. It has, indeed, been attempted, by prohibiting the exportation of coins, to prevent the loss that may thus be occasioned; but these efforts have proved singularly ineffectual, and have, indeed, been abandoned in this and most other countries. Admitting, however, that it were possible, which most certainly it is not, to prevent, or at least, materially limit, the clandestine exportation of coins, it is conceded on all hands to be quite nugatory to attempt to prevent their conversion into bullion. In this there is almost no risk. And the security with which their fusion can be effected, and the trifling expenses attending it, will always enable them to be melted down and sent abroad whenever there is any unusual foreign demand for the precious metals. This exportation would, however, be either prevented or materially diminished by the imposition of a seignorage or duty, equal to the expense of the coinage. The coins being, by this means, rendered more valuable than bullion, would be kept at home in preference: and if, as Dr. Smith has observed, it became necessary on any emergency to export coins, they would, most likely, be reimported. Abroad, they would be only worth so much bullion, while at home they would be worth this much, and the expense of coinage besides. There would, therefore, be an obvious inducement to bring them back, and the supply of currency would be maintained at its proper level, without its being necessary for the mint to issue fresh coins.

Besides relieving the country from the useless expenses attending the coinage of the money exported to other countries as an article of commerce, the imposition of a moderate seignorage would either totally prevent, or at least lessen, that fusion of the heavier coins, which always takes place whenever a currency becomes degraded or deficient in weight. Previously to the great recoinage in 1773, the quantity of bullion contained in the greater number of the gold coins in circulation was reduced nearly two per cent. below the mint standard; and, of course, the price of gold bullion, estimated in this degraded currency, rose two per cent., or from £3 17*s.* and 10½*d.*, its mint price, to £4. This, however, was too minute a difference to be taken into account in the ordinary business of buying and selling. And the possessors of coins fresh from the mint, or of full weight, not obtaining more produce in exchange for them than for the lighter coins, sent the former to the melting-pot, and then sold them as bullion. But it is easy to see that this fusion would have been effectually prevented had the coins been loaded with a seignorage of two per cent. The heavy coins could not then have been melted without losing the value given them by the seignorage; and this being equal to the excess of the market price of bullion above the mint price, nothing would have been gained by the melters. Had the seignorage been less than the average degradation of the coin, or two per cent.; had it, for example, been only one per cent., all those coins whose value was not more than one per cent. degraded below their mint standard, might have been melted; but if the seignorage had exceeded two per cent. no coins whatever could have been melted until the degradation had increased to the same or a greater extent.

This reasoning proceeds throughout on the supposition that the coins on

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which the seignorage is charged are not issued in excess. If they were, the above-mentioned consequences would not follow. Their too great multiplication might sink them even below their value as bullion, and occasion their immediate fusion or exportation. So long, however, as the state only coins the bullion brought to the mint by individuals, there is no risk of this happening. No one, we may depend upon it, will ever carry bullion to that establishment, and pay the expenses of its coinage, unless the coins be thereby rendered so much more valuable than the unfashioned metal.

Should the government choose to buy bullion, and coin money on its own account, it might, by a little attention, easily avoid all over-issue. Suppose the seignorage were two per cent., then any given weight of coins of the mint standard ought, provided the currency be not redundant, to purchase two per cent. more than the same weight of bullion. So long, therefore, as this proportion is preserved between coined money and bullion, it shows that the proper supply of currency has been issued. If the value of the coins decline below this limit, too many of them must have got into circulation; and, if, on the contrary, their value increase, the supply is too limited, and an additional quantity may be advantageously issued.

If the Supply of Coins could be sufficiently limited, a high Seignorage might be exacted.

It is easily seen, from the principles already established, that it is not necessary that the charge for seignorage should be limited to the mere expenses of coinage. It may, without injury to any individual, be carried considerably farther. Provided the amount of the coins on which a seignorage is imposed, be limited to the amount that previously circulated in the country, its imposition, to whatever height it might be carried, would not effect their exchangeable value. The state having the exclusive privilege of coining, no additional supply of money could be brought to market. And supposing the business of society to continue the same; that is, supposing the same quantity of commodities are brought to market, and exchanged for the same amount of coins of the same denomination, it is clear prices could not be in any way affected. Invariability of value is the great desideratum in money; and provided this be maintained, as it always may be, by properly limiting the quantity in circulation, it is of no consequence whether the weight of the coins be increased or diminished. A hat that had previously to the imposition of the seignorage sold for a sovereign would still fetch one. The sovereign, it is true, has been diminished in size; but as its value is increased in proportion to this diminution, and as small coins are equally well adapted to serve every purpose of a circulating medium as those that are larger, society would not suffer any inconvenience from that circumstance. It is certain, indeed, that if the monopoly were not rigorously enforced, or if individuals were permitted to issue supplies of money from private mints, free from the charge of seignorage, the increase of quantity would speedily sink the value of the whole coins in circulation to a level with the cost of those

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produced on the lowest terms; so that the coins on which a high seignorage had been charged would not be more valuable than those exempted from that charge. But, wherever the supply of money is limited, and competition excluded, this principle ceases to operate, and its value is then dependent upon the proportion which the total quantity in circulation bears to the total demand. This principle is further elucidated in a very able article on seignorage, by Mr. Tooke, printed in the *Appendix* (p. 180) *to the Lords' Report of* 1819.

Difficulty of limiting sufficiently the Supply of Coins, and Necessity of imposing only a moderate Seignorage.

It must not, however, be concealed, that if it were attempted to charge a very high seignorage, it would be extremely difficult to limit the supply of coins. The inducement to counterfeit money would, under such circumstances, be very greatly increased, while the chances of detection would be very much diminished. It would not then be necessary, in order to derive a profit from counterfeit coins, that they should be manufactured of a baser metal. The saving of a heavy charge on account of seignorage might of itself afford a sufficient profit; and this could be derived, though the metal contained in the forged coins were of the standard purity. But, though it might, for this reason, and most probably would, be quite impossible to limit the supply of currency, and consequently to sustain its value, were an exorbitant seignorage charged, the same difficulty would not stand in the way of a moderate one. The nefarious business of counterfeiting could not be carried on, did it not yield a sufficient premium to the forgers to indemnify them for the risks and odium to which they are exposed. A seignorage less than this would be no encouragement to the issue of counterfeit coins. And though it might be difficult to form any very precise estimate of what this premium might be, it is pretty certain it would not be under from four to five per cent.

Amount of the Gold Coinage since the Accession of James II.

It appears from an account inserted in the Appendix to the Report drawn up by the Lords in 1819, that new gold coins, of the value of £ 74,501,586 had been issued by the mint between the 1st January, 1760, and the 13th April, 1819. To this sum we have to add nearly fifty millions since issued, making in all an issue of about one hundred and twenty-four, or one hundred and twenty-five millions of gold coins since the accession of George III. But the seignorage was remitted in the reign of Charles II.; and it appears from the accounts published by Mr. Ruding and others, that £ 28,172,149 of new gold coins were issued in the period between the accession of James II. (1685) and the demise of George II.; so that, in all, upwards of one hundred and fifty-two millions of gold coins have been coined at the expense of the state, and issued since the remission of the seignorage. We shall be considerably within the mark, if we estimate the average annual expense attending this coinage at £ 12,000. Lord Liverpool states, that the entire expense of the mint, from 1777 to 1803, amounted to £ 488,441, which gives an av-

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erage expenditure of £18,786 a year. (Liverpool *On Coins*, p. 156.) And, on this supposition, it will be found that the expense of the coinage of gold only has amounted, during the one hundred and fifty-two years which have elapsed since the accession of James II., to £1,824,000. But, if a low seignorage of no more than three or four per cent. had been charged on the gold coins, it would have produced four and a half or six millions; a sum which might have been collected without injury to any individual, and which, besides defraying the entire expenses of the coinage, would have left a considerable surplus revenue.

Expense of the Coinage of Gold and Silver. — History of Seignorage in England.

In his evidence before the Lords' Committee in 1819, Mr. Mushet stated, that, with the improved machinery now in use in the mint, gold coin could be manufactured for about 10*s.* per cent. (*Minutes of Evidence*, p. 207.) And the expense of the manufacture of the silver coin may, we believe, be taken at about three times as much, or one and a half per cent. In France the coinage of gold costs 0·29 per cent., and silver 1·50 per cent.; in Russia the gold costs 0·85, and the silver 2·95 per cent. (Storch, tom. vi., p. 74.)

The precise period when a seignorage began to be charged upon English silver coins has not been ascertained. It must, however, have been very early. Mr. Ruding mentions, that in a mint account of the 6th Henry III., one of the earliest he had met with, the profit on £ 3,898 0*s.* 4*d.* of silver coined at Canterbury, is stated to be £ 97 9*s.*, being exactly 6*d.* a pound, of which the king had £ 60 18*s.* 3⅓*d.*, and the bishop the residue. (*Annals of the British Coinage*, vol. i., p. 179, 4to. ed.) In the 28th Edward I. the seignorage amounted to 1*s.* 2½*d.* per pound: 5½*d.* being allowed to the master of the mint, to indemnify him for the expenses of coinage, and 9*d.* to the crown as its profit. Henry VI. increased the master's allowance to 10*d.* and 1*s.* 2*d.*, and the king's to 1*s.* and 2*s.* In the reign of Edward IV. the seignorage varied from 4*s.* 6*d.* to 1*s.* 6*d.* It was reduced to 1*s.* in the reign of Henry VII.; but was prodigiously augmented in the reigns of his successors, Henry VIII. and Edward VI., whose wild and arbitrary measures produced, as will be afterwards shown, the greatest derangement of the currency. During the lengthened reign of Elizabeth, the seignorage varied from 1*s.* 6*d.* to 2*s.* per pound; at which sum it continued, with very little variation, until the 18th of Charles II. (1666), when it was totally remitted.

From this period down to 1817 no seignorage was charged on the silver coin; but a new system was then adopted. Silver having been underrated in relation to gold in the mint proportion of the two metals fixed in 1718, heavy silver coins were withdrawn from circulation, and gold only being used in all the larger payments, it became, in effect, what silver had formerly been, the standard of the currency. The act of 56th George III., regulating the present silver coinage, was framed, not to interfere with this arrangement, but so as to render silver entirely subsidiary to gold. For this purpose it is made legal tender only to the extent of 40*s.*; and 66*s.* instead of 62*s.* are coined out of a pound of troy, the 4*s.* being

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retained as a seignorage, which, therefore, amounts to $6\frac{14}{31}$ per cent. The power to issue silver is vested exclusively in the hands of government; who have it, therefore, in their power to avoid throwing too much of it into circulation, and, consequently, to prevent its fusion, until the market price of silver shall have risen to above 5*s*. 6*d*. an ounce.

This arrangement was censured in the debates on the question of returning to cash payments in 1819. It was contended, that the overvaluation of silver with respect to gold would render it the interest of every debtor to discharge his debts with silver, and that the gold coins would in consequence be driven from circulation, and exported to other countries. The result has shown that this opinion was altogether erroneous. Debtors cannot discharge their debts by silver payments, for it is only legal tender to the extent of 40*s*.; and no creditor can be compelled, or would be disposed to take it in payment of a larger debt, except at its real value. Those who wish for a further elucidation of this subject, may refer to Mr. Mushet's evidence in the *Appendix to the Lords' Report* "*On the Expediency of the Bank's resuming Cash Payments*," where it is discussed at great length, and in the most able manner.

In the 18th of Edward III., the period when we begin to have authentic accounts of the gold coinage, a pound troy of gold bullion was coined into florins, of the value of £15. Of this sum only £13 16*s*. 6*d*. were given to the person who brought the bullion to be coined: £1 3*s*. 6*d*. being retained as seignorage, of which 3*s*. 6*d*. went to the master, and £1 to the king. But it appears, from the mint indentures, that the seignorage on the coinage of nobles for the same year amounted to only 8*s*. 4*d*. And, from this remote period to the accession of the Stuarts, with the exception of the coins issued in the 4th and 5th Edward IV. and the 34th, 36th, and 37th Henry VIII., the total charge of coining a pound weight of gold bullion seldom exceeded 7*s*. or 8*s*. money of the time. In the 2d James I., a pound weight of gold bullion was coined into £40 10*s*.; a seignorage of £1 10*s*. being deducted, 6*s*. 5*d*. of which went to the master, and £1 3*s*. 7*d*. to the crown. The seignorage on gold was remitted at the same time (18th Charles II.) with the seignorage on silver, and has not since been revived. In the tables annexed to this article, the reader will find a detailed account of the amount of the seignorage and its fluctuations in different periods.

As the regulation of the seignorage then depended entirely on the will of the sovereigns, we need not be surprised at the variations in its amount at different periods, or that it should have fluctuated according to their necessities and caprices. It was, indeed, hardly possible that it should have been otherwise. Our ancestors were totally ignorant of the principle, by a strict adherence to which the imposition of a seignorage can alone be rendered advantageous. They considered it as a tax which might be increased and diminished at pleasure. And, far from taking any steps to limit the quantity of coin in circulation, so as to maintain its value, they frequently granted to corporate bodies, and even to individuals, the privilege of issuing coins, not subjected to a seignorage. (Ruding's *Annals of the Coinage*, vol. i., p. 185. When the right of seignorage was abolished, there was a pension, payable out of the profits derived from it, granted under the

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great seal, for twenty-one years, to Dame Barbara Villiers, which the legislature ordered to be made good out of the coinage duties imposed by that act. See Ruding, *in loco citato*, and Leake's *Historical Account of English Money*, 2d ed., p. 356.) No wonder, therefore, that it should have been considered as a most unjust and oppressive tax, and that its abolition should have been regarded as a very advantageous measure.

Remedy or Shere.

Besides the revenue arising from the seignorage, our kings formerly derived a small revenue from the *remedy* or *shere*. It having been found impossible to coin money corresponding in every particular of weight and purity, with a given standard, a small allowance is always made to the master of the mint, whose coins are held to be properly executed, provided their imperfections, whether on the one side or the other, do not exceed this allowance, or remedy. Its amount has varied very little since the riegn of Edward III.; having, during this long period, generally been one-eighth part of a *carat*, or 30 grains of pure gold per pound of gold bullion, and two pennyweights of pure silver per pound of standard silver bullion. By the law of 1816, the remedy for gold coins is fixed at 12 grains per lb. in the weight, and one sixteenth part of a carat in the fineness. The remedy for silver is the same as before.

It does not appear that our princes derived any considerable advantage from the *remedy* previously to the reign of Elizabeth. But she, by reducing the master's allowance for the expense of coinage from 1*s*. 2*d*. to 8*d*. obliged him to come as near as possible to the *lowest* limit allowed by the remedy. Had the coins been delivered to those who brought bullion to the mint by *weight*, the queen, it is plain, would have gained nothing by this device; but, in the latter part of her reign, and the first seventeen years of that of her successor, James I., they were delivered by *tale*, so that the crown saved, in this way, whatever additional sum it might otherwise have been necessary to pay the master for the expenses of coinage. In the great recoinage in the reign of William III., the profit arising from the remedy amounted to only 8*s*. on every hundred pounds weight of bullion; and the coinage is now conducted with so much precision, and the coins issued so near to their just weight, that no revenue is derived from this source.

Seignorage in France.

The continental princes have, we believe, without any exception, charged a seignorage on the coinage of money. In France this duty was levied at a very early period. By an ordinance of Pepin, dated in 1755, a pound of silver bullion is ordered to be coined into twenty-two pieces, of which the master of the mint was to retain *one*, and the remaining twenty-one were to be delivered to the merchant bringing the bullion to the mint. (Le Blanc, p. 87.) There are no means of ascertaining the amount of the seignorage taken by the successors of Pepin, until the reign of Saint Louis (1226–1270), who coined the *marc* of silver into 58 sols,

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while he only delivered 54 sols, 7 deniers, to the merchant; at this period, therefore, the seignorage amounted to a sixteenth part of the marc, or to $6\frac{1}{14}$ per cent. It was subsequently increased or diminished without regard to any fixed principle. In the great recoinage in 1726, it amounted, on the gold coin, to $7\frac{5}{16}$ per cent., and to $5\frac{9}{7}$ per cent. on silver. In 1729, the mint price, both of gold and silver, were augmented, and the seignorage on the former reduced to $5\frac{1}{2}\frac{1}{3}$ per cent., and on the latter to $4\frac{1}{8}$ per cent. A further reduction took place in 1755 and 1771, when the seignorage on gold was fixed at $1\frac{4}{15}$ per cent., and on silver at $1\frac{7}{24}$ per cent. At this moment the seignorage in France hardly covers the expense of coinage, being only about $\frac{1}{3}$ per cent. on gold, and $1\frac{1}{2}$ per cent. on silver. (Necker, *Administration des Finances*, tom. iii., p. 8. — Dr. Smith has stated, vol. ii., p. 438, on the authority of the "*Dictionnaire des Monnoies*, par Abot de Bazinghen," that the seignorage on French silver coins, in 1775, amounted to about eight per cent. The error of Bazinghen has been pointed out by Garnier, in his translation of the *Wealth of Nations*.)

CHAPTER IV.

EXPENSE OF A CURRENCY CONSISTING OF THE PRECIOUS METALS.

Estimate of the Expense of a Metallic Currency.

The imposition of a moderate seignorage has, however, but a very inconsiderable effect in reducing the expense of a metallic currency. This, which is much greater than is generally imagined, does not consist in the coinage, which is comparatively trifling, but in the great amount of gold and silver required for the purpose. If, for example, the currency of Great Britain consisted wholly of gold, it would amount to at least fifty millions of sovereigns; and if the customary rate of profit were six per cent., it would cost *three* millions a year. For had these fifty millions not been employed as money, it would have been vested in branches of industry, in which, besides affording employment to thousands of individuals, it would have yielded six per cent., or three millions a year, of net profit to its possessors. But this is not the only loss. The fifty millions would not merely be withheld from the great work of production, and the country deprived of the revenue derived from its employment, but it would be perpetually diminished. The wear and tear of the coins is by no means inconsiderable; and supposing the expenses of the coinage were defrayed by a moderate seignorage, the deficiency in the weight of the old worn coins must, on their being called in to be recoined, be made up by the public. There is, besides, a constant loss from shipwrecks, fire, and other accidents. When due allowance is made for these causes of waste, it would not, perhaps, be too much to suppose, that a country, which had

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fifty millions of gold coins in circulation, would have annually to import the hundredth part of this sum, or half a million of coins to maintain its currency at its proper level.

Thus it appears, that, were the customary rate of profit in Great Britain six per cent., it would cost 3½ millions a year to maintain fifty millions of gold coins in circulation. It is indeed true, that a reduction of the rate of profit would proportionally reduce the amount of this expense, though as the reduced expense would still bear the same proportion to the total income of the country that the higher expense did, the real cost of the currency would not be at all diminished. The case of France furnishes a still more striking example of the heavy charges attending the general use of a metallic currency. The amount of the gold and silver currency of that kingdom has been estimated by Necker at 2,200 millions of francs, and by Peuchet at 1,850 millions. (*Statistique Elémentaire de la France*, p. 473.) Now, supposing the lowest estimate to be the most correct, and taking the rate of profit at six per cent., this currency must cost France one hundred and eleven millions of francs a year, exclusive of the wear and tear and loss of the coins, which, being taken, as before, at the hundredth part of the entire mass, will make the whole annual expense amount to the sum of a hundred and twenty-two millions of francs, or to nearly *five millions* sterling. This heavy expense certainly forms a very material deduction from the advantages resulting from the use of a currency consisting entirely of the precious metals, and has doubtless been the chief cause why all civilized and highly commercial countries have endeavoured to fabricate a portion of their money of less valuable materials. It has not, however, been the only cause. It is obvious that were there nothing but coins in circulation, the conveyance of large sums from place to place to discharge accounts, would be a very laborious process; and that even small sums could not be conveyed without considerable difficulty. Of the substitutes, calculated alike to save expense and to lessen the cost of carriage, paper is in every respect the most eligible, and has been by far the most generally adopted. By using it instead of gold, we substitute the cheapest in the place of the most expensive currency; and enable society to exchange all the coins which the use of paper renders superfluous, for raw materials, or manufactured goods, by the use of which both its wealth and enjoyments are increased. It is also transferred with the utmost facility. Hence, since the introduction of bills of exchange, most great commercial transactions have been adjusted by means of paper only; and it has also been used to a very great extent in carrying on the ordinary business of society.

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CHAPTER V.

PAPER MONEY. — PRINCIPLE ON WHICH ITS VALUE IS MAINTAINED.

Origin of Paper Money, and Principle on which Banking is carried on.

In the earliest periods, subsequent to the invention of writing and paper, the pecuniary engagements of individuals would be committed to the latter. This gives security to the creditor, that he shall be able to claim the full amount of his debts, and to the debtor, that he shall not be liable to any overcharge; and avoids the differences which are sure to arise where the terms of contracts are not distinctly specified. But a very short time only would elapse before individuals, having written obligations from others, would begin to transfer them to their debtors; and after the advantages derivable from employing them in this way had been ascertained, it was an obvious source of emolument for persons in whose wealth and discretion the public had confidence to issue their obligations to pay certain sums, in such a form as might fit them for performing the functions of a circulating medium in the ordinary transactions of life. No one would refuse to accept, as money, the promissory note or obligation of an individual of large fortune, and of whose solvency no doubt could be entertained. But as full value must have been originally given for the promissory note, it is clear that whilst its continuance in circulation could be no loss to the public, it would be a very great source of profit to the issuer.

Suppose, for example, that a merchant issues a promissory note for £10,000, he must, previously to putting it in circulation, either have received an equivalent sum of money, or of some sort of produce possessed of real value, or, which is by far the most common case, he must have advanced it to an individual who has given him security for its repayment with interest. In point of fact, therefore, the issuer has exchanged his *promise to pay* £10,000 for the profits to be derived from the employment of a real capital of that amount; and as long as the promissory note, the intrinsic worth of which cannot well exceed a sixpence, remains in circulation, he will, supposing profits to be five per cent., receive from it a revenue of £500 a year. It is on this principle that the business of banking is conducted. A banker could make no profit were he obliged to keep dead stock or bullion in his coffers, equal to the amount of his notes in circulation. But if he be in good credit, a fourth or fifth part of this sum will perhaps be sufficient; and his profits, after the expenses of the establishment, and of the manufacture of his notes, are deducted, will be measured by the *excess* of the profit derived from his notes in circulalion, over that which he might have realized by employing the stock kept in his coffers to meet the demands of the public. "A bank would never be established, if it obtained no other profits but those derived from the employment of its own capital: its real advantage commences only when it employs the capital of others." (*Proposals for an Economical and Secure Currency*, p. 87.)

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Limitation of Supply sufficient to sustain the Value of Bank Paper.

As no means have been devised to limit the supply of the promissory notes issued by private individuals, their value, it is plain, could not be maintained were the issuers to fall into discredit, or relieved from their promise to pay them. But it is otherwise with the promissory notes issued by the state, or by a company acting under its control. The quantity of such notes may be effectually limited; and we have seen that, when this is the case, intrinsic worth is not necessary to a currency, and that, by properly regulating the supply of paper declared to be legal tender, its value may be sustained on a par with gold, or any other commodity. It was by acting on this principle of limitation, that the value of the paper of the Bank of England was maintained in the interval between the passing of the restriction act in 1797, and the commencement of bullion payments in 1820. No rational explanation of this circumstance, so much at variance with all the old theories of paper money, can be deduced from any other principle. The fact of their being depreciated never creates any indisposition on the part of the public to apply for accommodation to a bank whose notes are legal tender. The presenter of a bill for discount is indifferent whether the notes given in exchange for it are payable in specie or not. His object, in resorting to the bank, is to exchange his promissory note for money; that is, for paper that will be received in payment of his debts, or of whatever he may wish to purchase. It is, therefore, of no consequence to him, whether the issuers of paper have, by issuing an excess, depressed its value relatively to gold, or whether they have so restricted their issues as to sustain its value on a level with the value of that metal. These circumstances, it is true, affect the interests of all those classes whose incomes do not vary with the variations in the value of money; but, inasmuch as the prices of goods rise and fall with the increase or diminution of paper, merchants, who are the principal demanders of discounts, are comparatively but little affected by its fluctuations. The presenter of a bill for £ 500 or £ 1,000 to a bank, has received it, if it have arisen out of a real commercial transaction, in lieu of a certain quantity of goods, which, at the then value of money, were worth £ 500 or £ 1,000; and it is this sum which, by presenting the bill to the bank, he wishes to obtain. If the value of money had been different, the price of the goods, and consequently the sum for which the bill was drawn, would also have been different. It is to this market value of money at the time that attention is exclusively paid in commercial transactions. When, in 1809, 1810, 1811, 1812, 1813, and 1814, Bank of England paper was depressed from excess, from ten to twenty-five per cent. below the value of bullion, the circumstance of an act of Parliament having declared, that it should be paid in cash at the restoration of peace, had as little effect in raising its value, as its depreciation had in diminishing the applicants for discounts. The truth is, that individuals never resort to a bank for paper money, unless they have immediate occasion for it. As soon as it has been obtained, they throw it upon the market, for whatever it will bring; and as they purchased it on the same terms (for it is seldom that the val-

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ue of money is materially affected in the short interval between the time when a bill is discounted and becomes due), they generally get as much for it, and perhaps more, than it cost. We shall immediately explain what constitutes the natural limit to the applications for discounts; but we have said enough to show that it has nothing to do with the convertibility of notes into cash.

Those who have recourse to a bank to obtain discounts of accommodation bills, consider, like the presenters of real bills, only the present value of money. Accommodation bills are never discounted, excepting in the view of immediately employing the money, either in the purchase of commodities, or of labor, or in the payment of debts; and, whether one pound notes be of the value of 10*s*. or 20*s*. is obviously of no consequence; inasmuch as the amount of the bill presented for discount is regulated accordingly.

The circumstance that country bank notes cease to circulate as soon as any suspicion is entertained of the solvency of their issuers, is nowise inconsistent with this principle. Country bank notes are exchangeable, at the pleasure of the holder, for Bank of England notes; but from the restriction in 1797 down to 1820, the latter not being exchangeable for any thing else, constituted the real standard of value. Hence, when a country bank lost credit, the circulation of its notes was stopped, from its being believed that it would be impossible to obtain Bank of England paper in their stead; or, in other words, that they would not exchange for that description of paper which constituted the real medium of exchange. But it is impossible to imagine, that this paper should itself be affected by a want of credit. Every one knew that it had no intrinsic worth; and as already shown, its value was regulated (and must, whenever it is not rendered exchangeable for a given quantity of some other commodity, continue to be exclusively regulated) by the amount in circulation compared with the demand.

It appears, therefore, that if there were perfect security that the power of issuing paper money would not be abused; that is, if there were perfect security for its being issued in such quantities, as to preserve its value relatively to the mass of circulating commodities nearly equal, the precious metals might be entirely dispensed with, not only as a circulating medium, but also as a standard to which to refer the value of paper.

Difficulty of limiting the Supply of Bank Paper, otherwise than by rendering it exchangeable for Gold or Silver.

Unfortunately, however, no such security can be given. This is a point, respecting which there can be no difference of opinion. We have it in our power to appeal to a widely extended and uniform course of experience; to the history of Great Britain, and of every other country in Europe, and to that of the United States; to show that no man, or set of men, have ever been invested with the power of making unrestricted issues of paper money without abusing it; or, which is the same thing, without issuing it in inordinate quantities. If the power to supply the state with paper money be vested in a private banking company, then to suppose

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that they should, by limiting their issues, endeavour constantly to sustain the value of paper, would be to suppose that they should be attentive only to the public interest, and neglect their own private interest. The re-enactment of the restriction act, would not have the least effect on the value of paper, provided its quantity were not at the same time increased. But who can doubt that, in such circumstances, it would be increased? Such a message would enable the Bank of England to exchange bits of engraved paper, not worth, perhaps, five shillings a quire, for as many, or the value of as many hundreds of thousands of pounds. And is it to be supposed, that the directors and proprietors of the Bank should not avail themselves of such an opportunity to amass wealth and riches? If government enable a private gentleman to exchange a bit of paper for an estate, will he be deterred from doing so by any considerations about its effect in sinking the value of the currency? In Loo Choo we might perhaps meet with such an individual, but if we expect to find him in Europe, we shall most likely be disappointed. Here we are much too eager in the pursuit of fortune to be at all influenced by such scruples. It is essential, therefore, that the issuers of paper money should be placed under some check or control; and the comparatively steady value of the precious metals, at once suggests that none can be so effectual as to lay them under the obligation of exchanging their notes, at the pleasure of the holder, for a *given and unvarying quantity* of gold or silver.

Proposition maintained by those who deny that Bank Paper can be depreciated.—Demand for Discounts depends on a Comparison between the Rate of Interest and the Rate of Profit.

It has, however, been contended, that there is a material difference between paper issued by government in payment of its debts, and that issued by a private banking company in discount of good bills. In regard to the former, it is admitted on all hands that it may be issued in excess; but in regard to the latter, it has been strenuously urged, that "notes issued only in proportion to the demand, in exchange for good and convertible securities, payable at specific periods, cannot occasion any excess in the circulation, or any depreciation." As all the arguments advanced by those who contended that the paper of Great Britain was not depreciated between 1797 and 1819, involve this principle, it may be worth while to examine it a little minutely.

In the first place, it may be observed, that the demand for discounts does *not* depend on the nature of the security required for their repayment, but on the rate of interest for which they may be obtained, compared with the ordinary rate of profit made by their employment. If an individual can borrow £10,000, £100,000, or any greater sum, at 4, 5, or 6 per cent., and if he can realize 7, 8, or 10 per cent. by its employment, it is evidently for his interest, and it would be for the interest of every other person similarly situated, to borrow to an unlimited extent. But a banking company, relieved of all obligation to pay its notes in cash, and not, of course, obliged to keep any unproductive stock or bullion in its coffers, would be able to issue its notes at the lowest possible rate of inter-

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est; and the demand for its paper would therefore be proportionally great.

"The interest of money," says Mr. Ricardo, "is not regulated by the rate at which the bank will lend, whether it be 5, 4, or 3 per cent., but by the rate of profit which can be made by the employment of capital, and which is totally independent of the quantity or of the value of money. Whether the bank lent one million, ten millions, or a hundred millions, they would not permanently alter the market rate of interest; they would alter only the value of the money which they thus issued. In one case, ten or twenty times more money might be required to carry on the same business than what might be required in the other. The applications to the bank for money, then, depend on the comparison between the rate of profit that may be made by the employment of it, and the rate at which they are willing to lend it. If they charge less than the market rate of interest, there is no amount of money which they might not lend; if they charge more than that rate, none but prodigals and spendthrifts would be found to borrow of them. We accordingly find that when the market rate of interest exceeds the rate of five per cent., at which the bank uniformly lends, the discount office is besieged with applicants for money; and, on the contrary, when the market rate is even temporarily under five per cent., the clerks of that office have no employment." (*Principles of Political Economy*, p. 511.)

From 1809 to 1815 inclusive, the period in which the value of our paper currency relatively to gold was lowest, the market rate of interest considerably exceeded the rate (five per cent.) at which the Bank of England and most of the country banks invariably lent. Although, therefore, the amount of paper currency had, in that interval, been very much increased, the applicants for fresh discounts continued as numerous as ever. And there seems no reason to doubt, had the directors not been apprehensive that, ultimately, they might have to pay their notes in specie, that the amount in circulation would have been very much increased; at least, such would certainly have been the case, had they acted to the full extent of their avowed opinion, that it was impossible to issue too much paper, or to reduce its value, by engrossing into the circulation such quantities as were issued in discount of good bills. The wants of commerce are altogether insatiable. Inconvertible paper money, provided the rate of interest at which bills are discounted be less than the market rate, can never be too abundant. As long as this is the case, million after million may be thrown upon the market. The value of the currency may be so reduced as to require a one pound note to purchase a quartern loaf; but the circumstance of its value being diminished in proportion to the increase of its quantity, would render the demand for additional supplies as great as ever.

Were the Bank of England to discover a process whereby sovereigns could be manufactured with the same facility as notes, it could not be disputed that it would be in her power to depreciate the value of gold, by making large issues of what had been produced at so very little cost. Now, in what respect would this fictitious case differ from the actual situation of the Bank, were the restriction act renewed and made perpetual? The

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Bank would then be able, without check or control, to exchange her paper for landed property, manufactured goods, government securities, &c. But we have seen, that the value of this paper, like the value of gold, in the hypothetical case, depends entirely on the proportion which the supply bears to the demand; and, as the demand is not affected by an increase of quantity, for that increase, by diminishing its value, renders the larger quantity of as little efficacy as the smaller quantity, it is abundantly clear, that if the Bank lent at a sufficiently low rate of interest, there could be no limit to their issues.

Necessity of making Bank Notes payable in Gold or Silver.

On the whole, therefore, it is plain, whether the power of issuing paper be vested in the hands of a private banking company, or of government, that it must be placed under some efficient control, such as the obligation to pay in gold or silver. It is easy to discover the manner in which a check of this kind limits the issue of paper, and sustains its value. Whenever the Bank has issued so much paper as to sink its value relatively to bullion, its notes begin to return upon it, to have them exchanged for a higher value; and the Bank is, in consequence, obliged, to prevent the exhaustion of its coffers, to contract its issues, and raise its paper to a level with gold. An extremely small profit, or an extremely small depreciation of paper, as compared with gold or silver, is sufficient to make the holders of bank paper send it to be exchanged for those metals; and hence the value of bank notes convertible at pleasure into a *given and unvarying quantity* of gold or silver can never differ considerably from its value. The issues of the Bank of England were, for more than a century previously to 1797, limited in the manner now explained, and during that whole period they were hardly ever depreciated ½ per cent., and never more than two per cent., and that but for a few days only.

Scheme for paying Notes in Gold Bars.

But though it be thus necessary, in order to avoid all sudden and injurious fluctuations in the value of paper, that it should be made exchangeable at the pleasure of the holder for gold or silver, it is not essential to this end that it should be made exchangeable for gold or silver coins. Previously to the resumption of specie payments by the Bank of England in 1821, she was obliged to give bars of assayed bullion in exchange for her notes, according to a plan suggested by the late Mr. Ricardo; and there can be no doubt that this obligation would have sustained the value of paper quite as effectually as it is sustained by the obligation to pay in coin of the legal weight and purity, at the same time that it would have saved the greater part of the heavy expense occasioned by the use of metallic money. But, how important soever, these were not the only considerations that had to be attended to. The discovery of means for the prevention, or at least diminution, of the forgeries to which the substitution of notes in the place of guineas had given rise, was indispensably necessary to the maintenance of Mr. Ricardo's plan; and notwithstanding all the

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efforts that have been made, this desideratum has not yet been supplied. Forgery in the larger description of notes, or in those for £5 and upwards, may with due precaution be prevented from becoming injuriously prevalent. But low notes, or those of the value of £1 or £2, having to circulate amongst the laboring classes, and in immense numbers, present facilities for the issue of spurious paper, which it has been found impossible materially to diminish. Hence, in 1821, the plan of paying in bars of bullion was abandoned, and the Bank of England recommended paying in specie.

(*Conclusion in our next No.*)

BANK ITEMS.

MAINE. — The following laws were passed at the late session of the Maine Legislature: —

1. An Act to incorporate the Waterville Bank.
2. An Act to incorporate the Exchange Bank at Bangor.
3. An Act to incorporate the Merchants' Bank at Bangor.
4. An Act to incorporate the Union Bank at Brunswick.
5. An Act to incorporate the Weskeag Bank.
6. An Act to increase the Capital Stock of the Manufacturers and Traders' Bank of Portsmouth.
7. An Act to incorporate the Richmond Bank.
8. An Act to reduce the Capital Stock of the Kenduskeag Bank.

Also, Acts relating to the Maine Bank and the Commercial Bank.

BANGOR. — The Merchants' Bank, chartered in 1850, will probably soon commence operations at Bangor. The plates are in course of preparation.

MASSACHUSETTS. — The Tradesmen's Bank, at Chelsea, commenced operations early in September. Capital authorized, $150,000. Isaac Stebbins, Esq., is chosen President, and William R. Pearmain, Esq., Cashier. A building has been erected expressly for the institution, with ample accommodations for Insurance Offices. The plates for the Tradesmen's Bank have been engraved by the New England Bank Note Co., 204 Washington Street, Boston.

BANK OF NORTH AMERICA, BOSTON. — At a meeting of the stockholders of the Bank of North America, held the 18th September, the following gentlemen were chosen Directors: — George W. Crockett, Charles Rice, Charles Lane, Isaac Rich, Jonathan W. Pottle, Charles M. Scudder, Wm. S. Eaton, Joseph C. Bates, Clement Willis, Thomas Nickerson.

At a meeting of the Directors, held immediately after the adjournment of stockholders, George W. Crockett, Esq., was chosen President, and John R. Hall, Esq., appointed Cashier.

We understand that this bank will occupy the new stone building, No. 99 State Street, and will commence operations on the third day of October.

BLACKSTONE. — The Worcester County Bank, at Blackstone, commenced business on the 1st day of July last, with a cash capital of $100,000. President, Henry S. Mansfield, Esq.; Cashier, Alexander Ballou, Esq.

SPRINGFIELD. — The John Hancock Bank, at Springfield, will commence business about the 15th of October, with a capital paid up of $50,000, being one half the capital authorized by the charter. Joseph M. Thompson, Esq., President; Edmund D. Chapin, Esq., Cashier. The engraved title of the bank, on its notes, is a facsimile of the signature of John Hancock, as it appears in the Declaration of Independence.

VERMONT. — The Merchants' Bank, at Burlington, commenced business in May last. The present capital is $150,000. President, T. Follett; Vice President, A. L. Catlin; Cashier, Horatio S. Noyes, Esq.

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RHODE ISLAND. — Tully D. Bowen, Esq., was, on the 5th August, elected President of the Blackstone Canal Bank at Providence, in place of John Carter Brown, Esq., resigned.

HOPKINTON. — The Hopkinton Bank, Rhode Island, was organized on the 5th August by the election of eleven Directors, Stephen A. Wright, Esq., President, and Daniel M. C. Stedman, Esq., Cashier.

BRISTOL. — Shubael Hutchins and James G. Anthony have been appointed Special Commissioners, by the Rhode Island Legislature, to examine into the condition of the Eagle Bank of Bristol. The bills of this bank are not taken at the Suffolk Bank, Boston.

STATE BANK, PROVIDENCE. — Notice has been given to the stockholders of the new State Bank at Providence, to pay in their second instalment of ten dollars per share.

MARYLAND. — Books of Subscription to the Farmers and Mechanics' Bank of Kent County will be opened, on the second day of September, at Chestertown, Md.

HAVRE DE GRACE. — The Havre de Grace Bank stopped payment in the latter part of August. Owing to the defective laws of the State of Maryland, in reference to banking, no public statements are made by their country banks, and the community are not informed of the liabilities or resources of this institution, which is generally believed to have been got up by speculators.

CHARLESTON. — Charles M. Furman, Esq., Cashier of the Bank of the State of South Carolina, at Charleston, was, on the 5th August, elected President of that institution, in place of the late Franklin H. Elmore, Esq. T. R. Waring, Esq., has been elected Cashier, in place of Mr. Furman.

KENTUCKY. — S. H. Bullen, Teller of the Bank of Kentucky at Louisville, has been chosen Cashier of that institution, in place of George C. Gwathmey, Esq., deceased.

NORTHERN BANK. — William B. Clifton, Esq., has been chosen President of the Northern Bank of Kentucky, at Louisville, in place of Chapman Coleman, Esq., deceased.

FARMERS' BANK. — John G. Lair, Esq., has been elected Cashier of the Branch Farmers' Bank of Kentucky, at Somerset, in place of the late John B. Curd, Esq.

TENNESSEE. — Frederick William Smith, Esq., has been chosen Cashier of the Branch Union Bank of Tennessee, at Memphis, in place of Henry C. Walker, Esq., resigned.

NEW YORK. — P. M. Bryson, Esq., teller of the Phœnix Bank, City of New York, has been elected Cashier of that institution, in place of N. G. Ogden, Esq., resigned.

WATERTOWN. — The Citizens' Bank of Watertown commenced operations about 1st September. President, J. C. Dunn, Esq.; Cashier, H. A. Dunn, Esq.

EDITORIAL CORRESPONDENCE.

Kentucky, Aug. 9, 1850.

J. SMITH HOMANS, Esq., Editor Bankers' Magazine.

DEAR SIR: — In the present August number of your Magazine, after stating the dividends declared by the banks of Kentucky in July last, you say that "dividends not called for in six months will revert to the banks." This is an error. Unclaimed dividends never have reverted to the banks. Your mistake arises, I presume, from the fact, that the last Legislature of Kentucky passed an act requiring the Kentucky banks, after the 1st of January in each year, to publish the names of stockholders, with the amount of dividends due them, and which has remained unclaimed for one year or more. You will, no doubt, be pleased to correct the error into which you have fallen.

Respectfully,

********, Cashier.

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Stocks and Exchanges.

STATE SECURITIES, Sept. 23, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	105	"
New York,	6	"	1860	111	" 112
"	6	"	1865	117	" 118
"	5	"	1858	105½	" 106½
"	5	"	1866	105½	" 107
Pennsylvania,	6	"	1879	107	" 107½
"	6	"	past due,	99½	" 100½
"	5	"	. . .	92	Sales
Maryland,	6	"	. . .	103¾	" 104
"	5	"	. . .	88	" 90
"	5	"	sterling,	100	" 101
Virginia,	6	"	. . .	100	" 101
South Carolina,	6	"	. . .	100	" 104
Ohio,	5	"	1856	100	" 102
"	6	"	1870	111	" 112½
"	7	"	1851	103	" 104
Kentucky,	6	"	1871	106⅛	" 107
"	5	"	. . .	87	" 88
Tennessee,	5	"	. . .	86	" 88
"	6	"	. . .	103	" 106
Indiana Bonds,		"	. . .	50	" 55
Indiana State,	5	"	. . .	79	" 80
Alabama,	5	"	. . .	82	" 85
"	6	"	. . .	85	"
Arkansas,	6	"	. . .	45	" 53
Illinois Int. Imp. Stock,			. . .	56	" 57
" Interest Stock,			. . .	32½	" 34

BALTIMORE, Sept. 23.

Baltimore, 6 per cent.,	1890	107½	to 107⅝
B. and Ohio R. R. Stock,		73½	" 74
" " Bonds,	1854	100	" 101
" " Div. Bonds,		93¼	" 94
Bank of Baltimore, . .	100	96	" 97
Merchants' Bank, . . .	100	99¾	" 101
Union Bank, ...	75	70	" 71
Mechanics' Bank, . . .	15	16½	" 17
Commercial and Farmers',	33⅓	38	" 40
Western Bank, ...	20	21	" 21⅛
Farmers and Planters', .	25	27½	" 28
Chesapeake Bank, . . .	25	26	" 27
Marine Bank, ...	30	29⅛	" 30
Farmers and Merchants',	40	40	" 42
Franklin Bank, ...	12½	11½	" 12
Farmers' Bank of Maryland,	50	50	" 51
Patapsco Bank, ...	25	23½	" 25

PHILADELPHIA, Sept. 23.

U. S., 6 per cent.,	1856	108	to 108⅛
" "	1862	112½	" 113
" "	1867	115¾	" 116
" "	1868	116	" 116½
" Coupons,	1868	117	"
" 5 per cent.,	1853	102	" 102½
" Treasury Notes,	6 p. cent.,	114	" 115
Philadelphia, 6 per cent.,		104	" 105
Nashville, 6 per cent.,	100	92	" 93
Alleghany, "	100	87	" 87½
Cincinnati, 6 p. ct., water-works,		100½	" 101
Pittsburg, 6 per cent., coupons,		91½	" 92
St. Louis, " "		95	" 97
Bank of Pennsylvania, .	100	114	" 114½
" North America,	100	138	" 139
Philadelphia Bank, . . .	100	139½	" 140
Farmers and Mechanics',	50	69½	" 70
Commercial Bank, . . .	50	62	" 63
B. Northern Liberties, .	35	52	" 55
Mechanics' Bank, . . .	20	29⅝	" 29½
Southwark Bank, . . .	50	72	" 75
Kensington Bank, . . .	50	63	" 65
B. Penn Township, . .	22½	29	" 30
Western Bank, ...	40	64	" 67
Manuf. and Mechanics', .	25	27¾	" 28
Bank of Commerce, . .	50	63	" 65
Girard Bank, ...	12½	12½	" 12⅝
Bank of Pittsburg, . . .	50	51½	" 53
Exchange Bank, . . .	50	47¾	" 48½
Merchants and Manuf., .	50	52	" 53
United States Bank, . .		1⅞	" 2
Bank of Louisville, . .	100	102½	" 103
Northern Bank, Ky., . .	100	108	" 110
Bank of Kentucky, . .	100	105	" 105½
Union Bank, Tennessee,	100	66½	" 67½
Planters' Bank of Tenn.,		66½	" 70
N. O. Gas Light Bank. Co.,		114	" 115
Morris Canal, ...	25	16½	" 17
Reading Railroad, . . .	50	29⅜	" 29½
" Bonds, 6 p. cent.,	1870,	75¾	" 76
" Mortgages,	1860,	79	" 79½
Com. and Vicks. R. R. B.,	100	15¾	" 16
Phil. and Trenton Railroad,	100	129	" 131
Phil., W., Balto. Railroad,	50	25	" 25⅛
Harrisburg Railroad, . .	50	46	" 46¼
Schuylkill Navigation, .	50	56½	" 57½
Camden and Amboy R. R.	100	132	" 133

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New York, Sept. 23.

Bills on London, 60 days,		110	to 110¼
" Paris, 60 days,		522½	" 520
" Amsterdam,		40¼	" 40⅜
" Hamburg,		35⅞	" 36
" Bremen,		79¾	" 80
N. Y. City, 7 per cent.,	1857	111	" 111¼
" 5 "	1856	102	" 104
" 5 " W. Ln.,	1858	102	" 102½
Brooklyn City, 6 per cent.,		104	" 106
Albany " 6 "		103½	" 105½
Columbus " 7 "		97	" 100
Erie R. R. Bonds, 1st Mortgage,		106½	Sales
Hudson River R. R. Bonds,		99	" 99¾
Hartford and New Haven R. R.,		118	" 120
Erie R. R. Bonds, 2d Mortgage, 7		99	"
Syracuse and Utica,	8	123	" 125
" Rochester,	8	100	"
Long Island Railroad,		12	" 13
Providence and Stonington,		38	" 40
N. Y. and New Haven R. R.,		106	" 108
Paterson Railroad,		95	" 100
Tonawanda Railroad,	20	115	" 116
Harlem Railroad,		60½	"
Mohawk Railroad,		81	" 82
Utica and Schenectady,		140	"
Hudson River Railroad,	6	73	"
Bank of New York,	10	136	" 140
Manhattan Bank,	7	115	"
Merchants' Bank,	10	118	" 120
Mechanics' Bank,	10	122	" 125
Union Bank,	10	130	" 132
Bank of America,	8	109	"
City Bank,	10	120	" 122
Phœnix Bank,	7	103½	"
Tradesmen's Bank,	15	140	" 143
Fulton Bank,	10	120	" 122
Del. and Hudson C. Co.,	24	150	Sales
Butchers and Drovers',	10	130	" 135
National Bank,	8	116	" 118
Merchants' Exchange,	8	116	" 118
Leather Manufacturers',	8	110	" 112
Bank of the State of N. Y.,	7	104	" 105
Bank of Commerce,	8	107¾	Sales
Mech. Banking Association,	7	99½	" 100
American Exchange Bank,	10	118	" 120
N. Y., L. I., and T. Co.,	8	119⅛	" 125
Farmers' L. and T. Co.,		43½	" 44
Ohio Life and T. Co.,		103	" 104
Canton Co.		48¼	"
Bank of Louisiana,	10	120	"
Louisiana State Bank,	10	92	" 96
N. O. Canal and B. Co.,	6	88½	" 90
Mech. and Traders' N. O,	8	92	" 98

Boston, Sept. 24.

Boston, 6 per cent., 1853,		102	to 102½
" 5 " 1860,		100	"
East Boston Co.,		15½	"
Atlantic Bank,		112	" 115
Atlas Bank,		101	" 102
Boston Bank (par 50),		57	" 57½
Boylston Bank,		106	" 107
City Bank,		104	" 104½
Cochituate Bank,		102½	" 103
Columbian Bank,		102	" 103
Eagle Bank,		104	" 105
Exchange Bank,		106¾	"
Freeman's Bank,		110	" 111
Globe Bank,		112	" 113
Granite Bank,		103	" 104
Grocers' Bank,		101	" 102
Hamilton Bank,		103	"
Market Bank (par 70),		82	" 83
Massachusetts Bank (par 250),		240	" 245
Mechanics' Bank,		107	" 108
Merchants' Bank,		112	" 113
New England Bank,		112	" 113
North Bank,		101	" 102
Shawmut Bank,		106	" 107
Shoe and Leather Dealers' Bank,		114	" 116
State Bank (par 60),		64	" 64½
Suffolk Bank,		133	" 135
Traders' Bank,		104	" 105
Tremont Bank,		104¾	" 105
Union Bank,		108	" 110
Washington Bank,		101	" 102
Boston and Lowell R. R. (par 500),		565	" 570
" Maine Railroad,		105⅛	" 105¾
" Providence Railroad,		79½	" 80
" Worcester "		98½	" 99
Concord Railroad (par 50),		55½	"
Connecticut River Railroad,		83	"
Eastern Railroad,		101	"
Fall River Railroad,		85	" 85½
Fitchburg Railroad,		110½	" 110⅝
Hartford and New Haven R. R.,		118	" 120
Nashua and Lowell Railroad,		108½	" 109
Norwich and Worcester Railroad,		48	"
Northern Railroad,		67½	"
Old Colony Railroad,		56	"
Stonington "		39	" 40
Vermont and Mass. Railroad,		27½	"
Vermont Central Railroad,		29¼	" 29½
Western Railroad,		101⅜	"
Albany W. Railroad, 6 per cent.,		106	"
Michigan Central Railroad,		85	" 86
New Bedford and Taunton R. R.,		107	" 108
Rutland Railroad,		51	" 52

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MISCELLANEOUS.

New Books. — *The North British Review*, No. 26, for August, 1850. Contents: — 1. The Scottish Universities. 2. Pendennis — The Literary Profession. 3. The Rise, Progress, and Present Structure of the English Language. 4. Tubular Bridges — Messrs. Stephenson and Fairbairn. 5. The Liberties of the Gallican Church. 6. The Poetical Works of Wordsworth. 7. The Method of the Divine Government, Physical and Moral. 8. In Memoriam. 9. Trial of Professor Webster. 10. Christianity in India. Published quarterly. Three dollars per annum, or eight dollars for the four Quarterlies. Leonard Scott & Co., New York.

The Edinburgh Review, No. 256, July, 1850. Contents: — 1. Quetelet on Probabilities. 2. Merivale's History of Rome under the Empire. 3. Church and State Education. 4. Merimée's History of Pedro the Cruel. 5. Blackie's Lyrical Dramas of Æschylus. 6. Goethe's Festival. 7. Guizot on the English Revolution. 8. The African Squadron — Reports on the Slave Trade. 9. The Gorham Controversy. Published by Leonard Scott & Co., New York.

The first article in this No. particularly deserves the attention of Life Insurance Companies. Among many curious facts stated, it observes that "the number of possible *hands* at Whist (regard being had to the trump) is 1,270,027,119,200," or more than twelve hundred and seventy thousand millions.

The Farmer's Guide to Scientific and Practical Agriculture. Detailing the labors of the Farmer, in all their variety, and adapting them to the seasons of the year as they successively occur. By Henry Stephens, F. R. S., Edinburgh, and John P. Norton, M.A., Professor of Scientific Agriculture in Yale College, New Haven. The eighth No. of this valuable series has been issued by Messrs. Leonard Scott & Co., 79 Fulton Street, New York. This work will embrace every subject of importance connected with agriculture in all its various branches, both theoretical and practical. "Science, in as far as it has, up to the present time, been made available to *Practice* by *Experiment*, will be treated in its relation to every operation as it occurs in the course of the seasons." The work is arranged under four distinct heads, representing the seasons, beginning with Winter and ending with Autumn, with observations on many important operations not included in the ordinary routine of farming, such as "Judging of Land," "Stocking a Farm," "Improvement of the Soil," &c. The whole series will consist of twenty-two Nos. of 64 pp. each, the eighth No. of which, now issued, comprises the following topics: — Thrashing and Winnowing Grain, Forming Dunghills in Winter, On Composts, Liquid Manure, Claying the Soil, with 24 pages by Professor Norton. Price twenty-five cents per No.

Shakspeare's Dramatic Works. Published by Phillips, Sampson, & Co., Boston. This edition is printed in the best style, — superfine paper, large octavo. Each No. comprises one play, with copious preliminary observations, and interspersed with notes by eminent annotators. No. 18 comprises King Richard II. No. 19, King Henry IV. No. 20, Second Part of Henry IV. No. 21, King Henry V. No. 22, King Henry VI. No. 23, Second Part of Henry VI. With fine steel engravings of the Queen of Richard II.; Lady Percy; Lady Northumberland; Princess Katharine of France; Joan of Arc; Queen Margaret. Price twenty-five cents per No.

The Southern Literary Messenger, September, 1850, has made its appearance. Its principal contents are as follows: — 1. Education in the Navy. 2. General Zachary Taylor. 3. Cornstalk, the Shawnee Chief. 4. Story of a Clock. 5. Home Annals by Mrs. Jean Wood. 6. The Sword. 7. From our Paris Correspondent. 8. Judith Bensaddi. 9. Schediasmata Critica. 10. Letters from New York. Besides literary notes and a variety of original poetry. Published monthly by J. R. Thompson, Richmond, Va. Five dollars per annum.

Free Banking in Canada. — Hon. W. H. Merritt has introduced into the Canadian Legislature a bill for establishing "Freedom of Banking in the Province, and for other Purposes relative to Banks and Banking." It resembles in many respects our own free banking system. It repeals all existing laws in opposition to its provisions, excepting so far as penalty under them is concerned: prohibits all parties, except the present chartered banks, from banking, unless in accordance with the provisions of this act. Bank-notes may be issued for any sum less than £5 and over 5*s*. It pro-

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hibits the circulation of foreign bank-notes for less than $5. Individuals, limited partnerships, or companies may embark in banking, provided that the capital stock of an individual shall not be less than £10,000; of a limited partnership, £15,000; and of a company, £25,000. A company is to consist of not less than 5 persons, with shares of £25 each. Shareholders to be liable only for the debts of the corporation to twice the amount of their respective shares. All parties commencing banking cannot do so "until they shall have respectively deposited in the hands of the Receiver-General, for the purposes of this act, debentures or other securities guaranteed by the government of this Province, under the authority of the Legislature thereof, and bearing interest, at the rate of six per centum per annum," to amounts such as we have already mentioned. These will be held by the Receiver-General in pledge for the due redemption of the bank-notes of the bank so depositing. On these securities being given, the Inspector-General will issue bank-notes to the amount deposited, numbering and countersigning them himself, or authorizing some clerk to do so. The plates are to be furnished by and at the expense of the bank. After the notes are signed by the proper officers of the bank, they will be a legal tender; and so long as the bank shall pay such notes in specie on demand, they will be receivable in payment of all public duties, &c. Companies may either increase or withdraw the amount of their deposit, of course taking or returning notes to the amount. If any bank shall fail to pay its notes in specie, at the office of the bank, it may be protested for non-payment, and on a copy of the note and protest being forwarded to the Inspector-General, he will require it to be paid, with the expenses, and if this is not done within ten days, he will close the bank, and proceed to "wind up" its affairs.

A list of shareholders is to be hung up in a conspicuous place in every bank. Shares are to be personal property. The total liabilities are never to exceed three times the amount of the capital. Any existing banks may avail themselves of the provisions of this act, but if they do not choose to do so, their charters will be respected. No bank duties are to be payable on notes secured by deposit as provided in this act. A statement of capital, circulation, liabilities, &c., is to be laid before Parliament every session.

The measure is said to be very popular, and although opposed by those interested in the existing banking institutions, will probably pass. — *Buffalo Com. Advertiser.*

THE COAL TRADE. — The *Philadelphia North American* has a calculation and comparison of the Pennsylvania coal trade of this season with that of the last, showing that the Schuylkill Canal will bring down 224,280 tons less than last year; the Lehigh Company 164,052 less, and the Reading Railroad 139,301 more than last year. Deducting this excess of the railroad supply from the deficit on the canals, there remains a balance of 249,031 tons, or, in round numbers, 250,000 tons, against the business of this year, as compared with that of 1849. It adds, —

"It would appear certain, therefore, from the figures, that the supply of anthracite from these sources this year will be short at least 250,000 tons; and we are informed that the Delaware and Hudson Company will have great difficulty in keeping their supply up to the last year, and in fulfilling the contracts made last spring. The periods assigned for the resumption of business by the Lehigh and Reading Companies are the earliest possible. Every day's delay beyond the time will add 10,000 tons to the deficit. And in allowing 42,000 tons a week, consecutively, as the supply by the railroad, we have estimated the highest power of the machinery, and the utmost activity in loading the cars at the mines and in discharging them at Richmond."

MARYLAND FINANCES. — *Fifty per cent.* of the outstanding balance of the Funded Arrears Stock of the State will be redeemed at the Loan-Office in this city on the 1st of October, 1850. We are happy to learn from a reliable source, that the remainder will probably be paid before half of the ensuing year shall have elapsed. After the small remainder shall have been paid, the State will pay $50,000 less in annual interest than she did in the years 1848 and 1849, being more than the net interest which she pays (State tax of one fourth of one per cent. on the valuation of 85 cents deducted) on $1,000,000 of five per cent. stock. The State will also have a new fund for redeeming or purchasing the remaining debt, which will be about equal to one half of the net interest on the Sinking Fund two years ago.

It will thus be seen that a continuance of the present taxes for a few years longer will enable the State to redeem entirely that portion of her debt now overdue, leav-

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ing the provision for interest on the stock which has a long time to run the only charge upon the Treasury. The stamp tax, as well as other temporary taxes, which are so severely felt by the citizens of all parts of the State, may then safely be removed, as they will of course be no longer necessary. This last claim on the Treasury will, it is confidently believed, be redeemed within less than fifteen years by the sure operation of the Sinking Fund, as well as by the purchase and cancelling of the stock with the surplus revenue of the State. — *Balt. American.*

New Jersey Banks. — Until very recently, *Thompson's Bank-Note Reporter* has been accustomed to class the Union Bank of Dover, N. J., and the Commercial Bank, at Perth Amboy, in the same category. Both have for years, according to that redoubtable sheet, been on the eve of breaking; and the public have been continually warned to beware of their bills. For some reason unknown to us, the *Reporter* has ceased blackballing the Union Bank, and expresses no doubt of its soundness, although it is in fact no more sound than it was last January, when the *Reporter* represented it as on the eve of breaking. It was then, and is now, in a prosperous and healthy condition; in addition to the capital, which was then, and is now, unimpaired, the nine Directors, who are together worth double or treble the circulation of the bank, were then, and are now, personally liable for every dollar of it; and there was then, and is now, no other reason for questioning its solvency than what lies in some personal pique or unfounded prejudice. We are not so well acquainted with the affairs of the Commercial Bank of Amboy, but, as it was so long classed with the Union Bank of Dover by the *Reporter*, we naturally inferred that their responsibility was about equal. We believe so still; and none the less because of the *Reporter's* instructions to the contrary. The nine Directors are personally liable by the charter for all the circulation, and are known to be men of substantial property to several times the amount of the capital of the bank. Its bills are readily taken by the brokers at ¼ per cent. discount, which is 3-8ths better than those of most of the interior banks of our own State. — *N. Y. Journal of Commerce.*

Michigan. — The following is the article on banks contained in the new constitution of Michigan. The constitution, as a whole, is yet to be submitted to a vote of the people of the State: —

Sec. 1. Corporations may be formed under general laws; but shall not be created by especial act, except for municipal purposes. All laws passed pursuant to this section may be altered, amended, or repealed.

2. No banking law, or law for banking purposes, or amendments thereof, shall have effect until the same shall, after its passage, be submitted to a vote of the electors of the State, at a general election, and be approved by a majority of the votes cast thereon at such election.

3. The officers and stockholders of every corporation or association for banking purposes, issuing bank-notes or paper credits to circulate as money, shall be individually liable for all debts contracted during the time of their being officers or stockholders of such corporation or such association.

4. The Legislature shall provide by law for the registry of all bills or notes issued or put in circulation as money, and shall require security in the full amount of notes and bills so registered in State or United States stocks, bearing interest, which shall be deposited with the State Treasurer for the redemption of such bills or notes in specie.

5. In case of the insolvency of any bank or banking association, the bill-holders thereof shall be entitled to preference in payment over all other creditors of such bank or association.

6. The Legislature shall pass no law authorizing or sanctioning the suspension of specie payments by any person, association, or corporation.

7. The stockholders of all corporations and joint-stock associations shall be individually liable for all labor performed for such corporation or association.

Belgium. — The National Bank of Belgium has been organized, and the Brussels papers have published a royal decree appointing M. de Haussy to be the Governor.

Mobile. — We learn from good authority, that the fine edifice on the northwest corner of Royal and St. Francis Streets, known as the Banking House of the Branch of the State Bank at Mobile, was sold, on the 19th of August, for $25,000.

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Notes on the Money Market.

BOSTON, 25TH SEPTEMBER, 1850.

Exchange on London, 60 days, 110 to 110¼.

THERE are numerous indications of approaching activity in business. Gold continues to pour in from California, — new banks are springing up in various States, — every department of manufactures is pressed with orders, — money is abundant for legitimate operations, and scarce only where it is required for undue speculation. There is a perpetual flow of foreign capital to our shores, because it finds more profitable returns, both in legal rates of interest and in ordinary investments.

The gold deposits for coinage at the Mint have been as follows: —

From 1st January to 31st August, 1850,	$ 17,041,210
Prior to 1st January, 1850, from California,	4,558,000
Received per Steamship Philadelphia, September, 1850,	1,200,000
Received per Steamship Ohio, September, 1850,	500,000
Total to date,	$ 23,299,210

The gold coinage from 1st January to 31st August was $ 14,501,000.

The export of specie from New York to Europe since the 1st of January last has been $ 5,500,000. But little is shipped from other ports. Coin will continue to leave us as long as the rates for sterling bills remain as at present. Bills for the Liverpool steamer of this day may be quoted at 10 to 10¼ premium for prime signatures, while others, less known, are negotiated at 9½ to 10.

On Paris, 60 days,	5.22½ to 5.20
" short sight,	5.17½ to 5.15
On Amsterdam,	40⅜ to 40½
On Hamburg,	35¾ to 36
On Bremen,	79¼ to 80

There is an evidently increased disposition to speculate in stocks. A large advance has taken place in Reading Railroad Shares. Illinois Internal Improvement Stock, for 1847, has been in great request at an advance of 3 to 4 per cent. This latter rise may be attributed to the recent donation, by Congress, of three millions of acres of land in Illinois to aid the Chicago and Mobile Railroad. This projected improvement is intended to run from Chicago on the north to the southern confines of the great State of Illinois. If carried into effect, this great scheme will largely develop the agricultural resources of that State, already represented by the Commissioner of Patents to be annually as follows: —

Indian Corn,	*bushels*,	40,000,000	Rye,	*bushels*,	170,000
Potatoes,	"	2,300,000	Buckwheat,	"	130,000
Wheat,	"	5,400,000	Hay,	*tons*,	450,000
Barley,	"	120,000	Hemp,	"	600
Oats,	"	5,000,000			

A judicious system of internal improvement in Illinois and Missouri will promote the sales of public lands, encouraging still further emigration, and furnish a more ready market for the immense surplus produce of that region.

The export of cotton to Europe for the year ending 1st September, 1850, has reached 1,600,000 bales, against 2,200,000 bales for the preceding year. The prices of this important staple are somewhat reduced in Europe within the last thirty days, but they are not much affected in the Atlantic States. The past year's cotton history may be set down as follows, for which we are indebted to the New Orleans Price Current.

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The following table will exhibit the course of the market more particularly, the quotations given being for Low Middling to Good Middling Louisianas and Mississippis, with the rates of freight to Liverpool, and of sterling bills, at the same dates:—

	Low Middling to Good Middling.	*Sterling.*	*Freight to Liverpool.*
	Cents per lb.	*Per cent. prem.*	*Per lb.*
1849, Sept. 15,	9⅛ to 10	9⅛ to 10¼	7-16d.
" Oct. 3,	9⅜ to 10⅛	9 to 10¼	13-32 to 7-16d.
" Nov 3,	10 to 10⅜	9 to 10	½d.
" Dec. 1,	10⅛ to 10⅜	7½ to 8¼	½d.
1850, Jan. 2,	10⅛ to 10⅜	7 to 7½	13-32 to 7-16d.
" Feb. 2,	11⅛ to 11⅜	7½ to 8¼	5-16 to ½d.
" Mar. 2,	10⅞ to 11⅛	7½ to 8	5-16 to ½d.
" April 3,	11 to 11⅛	7⅝ to 8¼	¼ to 5-16d.
" May 1,	11⅛ to 12⅛	9¼ to 10¼	¼ to 3-16d.
" June 1,	11⅛ to 12⅜	9 to 10	5-32 to 3-16d.
" July 6,	11⅜ to 12⅛	9 to 9⅝	3-16 to ¼d.
" Aug. 3,	12⅛ to 12⅜	9⅛ to 10⅛	11-32d.

We have adverted in several instances, recently, to the formidable extent of foreign imports into this country. Boston, New York, and Philadelphia exhibit increased amounts as compared with former years, and we are now paying in part for this excess, *in coin.*

The imports for the fiscal year ending 30th June, 1850, were,—

At New York,	$ 113,752,000
At Boston,	28,660,000
At New Orleans,	10,900,000

The excess of the past year, as compared with 1848-49, *is more than equivalent to all the gold that California has sent us* for the same period.

The banking system of the Union is becoming widely extended,—not too rapidly, we think, for the wants of the business community. The new Bank of Commerce, in Boston, commenced operations in August, with a capital of $ 750,000; and the new Bank of North America will, we are informed, get into operation during the coming month of October. In addition to these, there are new banks at Springfield, Lowell, Blackstone, and Chelsea.

The up-town merchants of New York are also engaged in organizing a new bank, to be called the Empire City Bank, to be located at the corner of Hudson and Canal Streets. A new bank is also projected at Charlotte (North Carolina) in addition to the Branch of the State Bank at that place.

There is an unpleasant feeling existing between the Indiana banks and those of Ohio, arising from recent calls for specie. This jealousy and spirit of opposition are entirely uncalled for. There is abundant room for all their banking concerns, in both States, without infringing upon each other. A spirit of conciliation and forbearance would be more indicative of true banking principles. A certain *esprit du corps* is essential among kindred institutions, and in none more fully that in those whose life is *credit.* Whatever injures one will injure the whole body, and no possible good can arise from a disposition to impair the resources or the credit of sister banks.

The great State of Ohio, with its two millions of people, has at this moment less banking capital than the little town of Providence. Sound banking would, therefore, demand of Ohio to nurse all its money resources, and to forbear all spirit of opposition to its neighbours. All the banks of the West are well provided with coin and with Eastern exchange. In fact, there is an unnecessary accumulation throughout the West,—as an instance of which, it may be stated that the only bank in St. Louis holds more coin than is considered necessary for the banks in Boston, at which point nearly all the bank circulation of New England is redeemed.

DEATH.

At Orwell, Vermont, on Friday, 13th September, after an illness of five minutes only, William B. Martin, Esq., Cashier of the Farmers' Bank, Orwell.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. NOVEMBER, 1850. No. V.

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THE LIABILITIES OF BANKS.

I. LOSSES FROM THE NEGLIGENCE OF NOTARIES.—II. COLLECTION OF PAPER. RIGHTS OF THIRD PARTIES.

THE liability of a bank to its correspondents and depositors for any neglect or omission by its notary, in the protest of collection paper, has not been clearly demonstrated by our State courts. Cases of this kind would be considered under the law of Agency, and as there is a material difference of opinion among bankers and merchants upon the point suggested, we propose to bring forward those few cases that have a bearing upon the subject.

The general impression among banks is, that from the moment they hand unpaid collection paper over to the notary their own responsibility ceases, and that they are not directly liable for such neglect or omission on his part as would lead to a loss on the part of the owners.

On the contrary, merchants generally consider the deposit bank fully and wholly liable to them for such neglect on the part of the notary, or for *laches* on the part of any officer of the bank, in the collection of notes and bills. In this opinion they agree with those bankers who have looked so far into the subject as to have come to some definite conclusion.

There are, in fact, so few cases upon record, that the subject has not been considered by many bankers. They are too much in the habit of leaving their law topics entirely to their bank counsel, without reflecting that there are numerous law points that should be as familiar to them as the leger or the cash-book. Indeed, the duties of a cashier are generally so laborious, various, and responsible, that few holding this position look into the reading of their profession, or inquire into subjects that are not of daily occurrence.

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There are, however, some few bank topics, as to the law of which every cashier and teller should be conversant. Among these we enumerate the law relating to notaries, transfer of stocks, bills of exchange and notes, as worthy a careful examination by every bank officer.

The most important and direct case relating to losses by banks through their notaries is that of *Messrs. S. and M. Allen* v. *The Merchants' Bank of New York*, reported in our first volume, pp. 225, 226. This claim was made in consequence of the omission by a notary to give notice of the non-acceptance of a bill of exchange. The Superior (or lower) Court of New York decided for the defendants, but the Court of Errors of the same State gave an opinion to the contrary.

"A bank, receiving for collection a bill of exchange, drawn in New York upon a person residing in another State, is liable for any neglect of duty occurring in its collection, whether arising from the default of its officers here, its correspondents abroad, or of agents employed by such correspondents.

"This liability may be varied, however, either by *express contract*, or by *implication* arising from *general usage* in respect to such paper. It is competent, therefore, for the bank to show an *express contract*, varying the terms of its liability, or, in the absence of a judicial determination upon the point, to show that, by the usage and custom of the place, a bank thus receiving foreign paper is liable only for its safe transmission to some competent agent, and is not responsible for the acts or omissions of such agent, or of any subordinates employed by him.

"The inquiry, however, in such case, is not as to the opinion of merchants, however general, as to the law of the case, but as to the usage and practice in respect to such transactions, or the *general understanding* of merchants as to the nature of the contract evidenced by their acts, so as to enable the court to give the contract a correct interpretation.

"Where a debt was lost by the omission of a notary to give notice of the non-acceptance of a bill presented before maturity, IT WAS HELD not to excuse a bank which had received the same for collection, that, by the law merchant of the place where the bill was presented, notice of non-acceptance was deemed unnecessary; but that, on the contrary, as the *lex loci contractus* governed in a case like it, it was the duty of the bank to have given the necessary instructions to its correspondents. The omission to give notice of non-acceptance happening through the default of a *commissioned public officer*, a notary, does not vary the rights of the parties: *pro hac vice*, he acted merely as the agent of his employers, and not in his *official capacity*."

This was an action brought in the Superior Court by S. and M. Allen against the bank, to recover the amount of a bill of exchange, drawn in New York on a mercantile house in Philadelphia, and deposited by the plaintiffs with the Merchants' Bank of New York for collection, which was lost to the plaintiffs *in consequence of the omission to give notice of the non-acceptance to the indorsers.* The jury found for defendants, and on the appeal to the Court of Errors, was decided in favor of plaintiffs against the bank, by a vote of fourteen to ten, — Senator Verplanck delivering an opinion for reversal, in which he was supported by thirteen of

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his associates; and the Chancellor delivering an opinion in favor of an *affirmance* of the judgment of the Supreme Court, and nine Senators concurring with him, viz.: —

For the Plaintiffs. — Senators Fox, Hawkins, Hunt, Huntington, Lee, Livingston, Maynard, Mosely, Nicholas, Peck, Skinner, Van Dyck, Verplanck, Wager, — 14.

For the Defendants. — The Chancellor (Walworth), and Senators Beardsley, Clark, Hull, Hunter, Johnson, Jones, Paige, Spraker, Sterling, — 10.

In this case, the court adopted the following rule: —

"*Resolved*, That when a bank or broker, or other money dealer, receives, upon a good consideration, a note or bill, for collection in the *place* where such bank, broker, or dealer carries on business, or at a *distant place*, the party receiving the same for collection is liable for the neglect, omission, or other misconduct of the bank, or agent to whom the note or bill is sent, either in the negotiation, collection, or paying over the money, by which the money is lost, or other injury sustained by the owner of the note or bill, unless there be some agreement to the contrary, express or implied."

Another case came up before the New York courts, being that of *The Bank of Orleans* v. *Smith*. In this instance the Supreme Court decided that, a note payable at a distance being deposited with a bank for collection, and the latter transmitting it to another bank for the same purpose, both are to be regarded as agents of the holder. 3 *Hill*, p. 560.

In Massachusetts a case somewhat analogous occurred in 1846, before the Court of Common Pleas at Boston.

This was an action on the case, brought against the Farmers and Mechanics' Bank of Philadelphia, for negligence in not protesting in proper time a draft forwarded to them for collection.

. It appeared in evidence that a draft on John Rinewalt of Philadelphia, for $ 500, payable sixty days after sight, was deposited in the State Bank at Boston, by the plaintiffs, and by the State Bank forwarded to the Farmers and Mechanics' Bank at Philadelphia. It was received by the latter bank on the 23d of August, 1844, and presented to and accepted by Rinewalt on the 24th. Consequently it matured on the 26th of October. On the 25th of October it was handed by the bank to their notary, and by him protested on that day, and notices forwarded. The notary returned the draft to the Farmers and Mechanics' Bank on the 26th, before 9 A. M., and it was inclosed and forwarded to Boston by the mail of that day. The plaintiffs refused to receive the draft, and returned it to the Farmers and Mechanics' Bank, and claimed to have it passed to their credit. The bank refused to do this, and the plaintiffs afterwards, on the 4th of December, sued Rinewalt, the acceptor, and obtained judgment and execution, but could find no property on which to levy the same. Evidence was introduced by the defendants, tending to show that Rinewalt, the acceptor, was a partner of the drawers, and that he (Rinewalt) was now able to pay the draft. There were indorsers on the draft, as to whose pecuniary responsibility no evidence was put in by either party.

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It was contended for the plaintiffs, — 1st. That the bank, having received the draft, were bound to take all the necessary and usual steps to secure its acceptance and payment at maturity, and, in case of non-payment, to protest it on the day of its maturity. 2d. That the bank were guilty of negligence in handing the draft to the notary on the day before it was due, as they thereby misled him, — it being the universal custom of this bank, as was proved, to hand their notes to their notary to be protested at the close of banking hours on the day on which they fell due. 3d. That the draft having been returned to the bank on the morning of the 26th, the day it matured, it was the duty of the bank to keep it at its counter for payment till the close of business hours, and then to have it protested, — and that it was carelessness in them not to do so.

It was contended for the defendants, — 1st. That the bank and the notary were distinct agents, and that the bank, by delivering the draft to the notary, relieved themselves of all responsibility, and that the duty of protesting the draft at the proper time devolved upon the notary. 2d. That the jury could give no damages, because there was no evidence that Rinewalt, the acceptor, who was still liable on the draft, was good for that amount. 3d. That if Rinewalt was not good, still the plaintiffs could not recover, because they had not proved that the indorsers and drawers, who were discharged by want of protest on the proper day, were able to pay the debt had they not been discharged. It was further contended that, there being evidence that the drawers and acceptors were partners, the drawers were not discharged, because they were not entitled to notice.

Washburn, J., instructed the jury that it was admitted that the draft was not protested at the proper time, and that thereby the indorsers were discharged, and also the drawers, unless they were partners of Rinewalt, and drew on partnership account, but without funds in Rinewalt's hands, — that this was the result of negligence somewhere, — that it could not be charged upon the bank, if they had given the draft to a proper notary at a proper time, — but if they gave it to him at such a time as to mislead him, and the effect was to mislead him, they would be liable, — that if the draft came back to them during the business hours of the 26th, and they knew it matured on that day, which they were bound to know, if it was in their possession, then their duty was to send it back to the notary, to be protested on that day, — that if they found the bank guilty of negligence, then the plaintiffs were entitled to a verdict, — that in making up the amount of damage, they were to assess the actual damage the plaintiffs had sustained, — that the question, whether the draft was now of any, and, if so, what value, was open for their consideration.

The jury found a verdict for the plaintiffs, and assessed damages at $539.

This case was not carried to a higher court, but the judgment was paid, without appeal, by the Farmers and Mechanics' Bank. Under the law as laid down by the New York Court of Errors, the State Bank at Boston was liable to the plaintiffs for the loss.

In Connecticut, a case came up before the Supreme Court, in which the East Haddam Bank was concerned.

A, residing at Saybrook in Connecticut, being the holder of a bill of

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exchange, drawn by B, in London, on C, in New York, and duly accepted, payable to the order of A, indorsed it and transmitted it to the East Haddam Bank for collection. The cashier of this institution, without indorsing it, transmitted it, with other bills, to the Merchants' Exchange Bank, in New York, for collection. When it became due, it was protested for non-payment, and due notice was given to B, the drawer, but no notice was given to the East Haddam Bank, or to A, the holder. Twelve days afterwards, the plaintiffs, supposing the bill had been paid in New York, credited A with the amount, and paid it to him on his check. On discovering the mistake, when an account current was received, the East Haddam Bank sought to recover back the money so paid, in an action for money had and received against A, and the court *held*, that the plaintiffs were not precluded from a recovery, 1st, by reason of their not having indorsed the bill, before they transmitted it to the Merchants' Exchange Bank, or advised that bank of A's place of residence; or 2d, on the ground that the plaintiffs were responsible for the default of the collecting banks; or 3d, by reason of their having credited A with the amount of the bill, and paid over the money to him; consequently, the plaintiffs, having obtained a verdict, were entitled to retain it. *Connecticut Reports*, Vol. XII. p. 303.

In Great Britain a rule has been laid down by the Court of King's Bench upon this subject, which is quite as explicit as that in New York, viz.: —

A bank to which a draft is indorsed and sent for collection as agent of the indorser, and which transacts the business without disclosing its agency, may be regarded and charged as principal by those with whom it deals. And it will be no answer that it is the uniform custom of banks to transact such business without disclosing their agency (Barnewall and Cresswell, Vol IX. p. 902). And further, the holder of a bill is entitled to know, on the day when it becomes due, whether it is an honored or dishonored bill, and that, if he receive the money, and is suffered to retain it during the whole of that day, the parties who paid it cannot recover it back.

The New York Court of Errors has confirmed this view in the case of Suydam and Boyd *v.* S. and M. Allen (July term, 1838). In this instance the plaintiffs had deposited with the defendants for acceptance and collection a draft for $ 616 on a party at Concord, N. H. Messrs. Allen forwarded the bill, after a few days' delay, to one of the Concord banks. The latter held it four days, waiting the determination of the drawee as to acceptance, and it was then protested for non-acceptance, and payment was finally lost. The plaintiffs sued for the amount of the bill, on the ground of neglect by the defendants and by their agent, and the court then adopted the following rule, viz.: —

An agent receiving for collection, before maturity, a bill payable on a particular day after date, is held to strict vigilance in making presentment for acceptance; and, if chargeable with negligence, is subject to the payment of all damages sustained by the owner: and further, it is the duty of the agent for collection to present the bill for acceptance *without delay*, and to give immediate notice of refusal to accept.

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In Louisiana, a contrary view seems to be enforced, as in the case of Baldwin *v.* The Bank of Louisiana, at New Orleans. In this case the court decided, that where a bank, in which a note has been deposited for collection, in case of non-payment, places it, for protest, in the hands of the notary to whom its own business is uniformly confided, *it will not be responsible for the failure of the notary to protest the note*, or to notify the proper parties.

Judge Story, in his work on Agency, makes the liability a contingent one, viz. : — "The true rule undoubtedly is, that, as the contract of agency is one for the benefit of both parties, the agent is understood to contract for reasonable skill and ordinary diligence, and he is consequently liable for injuries to his employer, occasioned by the want of reasonable skill, and also for ordinary negligence. By reasonable skill we are to understand, such as is, and no more than is, ordinarily possessed and exercised by persons of common capacity, engaged in the same business or employment. By ordinary diligence, we are to understand, that degree of diligence which persons of common prudence are accustomed to use about their own business and affairs." *Story on Agency*, § 183.

The following letters from bank officers have reached us, bearing on this subject : —

State of New York, October 12, 1850.

To the Editor of the Bankers' Magazine.

. . . . . I believe that a bank receiving paper for collection is liable for any neglect on the part of its notary in protesting such paper, and if losses arise therefrom, the laws of this State, I think, would compel the bank to make it good.

The bank, however, has its remedy against the notary, and, if he be responsible, and able to pay, he must make the loss good to the bank.

It is, therefore, a matter of no little importance that a notary should thoroughly understand his duties and the law relative thereto, — and, if so, he will be likely to use due diligence and caution with all paper intrusted to him for protest. Many of our country banks do not exercise due care in the selection of their notaries, and not unfrequently the duties of this important office are discharged by persons wholly unacquainted with the law on this subject, and who do not seem to possess any correct notions of what the law requires. ********, Cashier.

Bank of ——, *State of New York.*

To the Editor of the Bankers' Magazine.

When a bank receives for collection notes or drafts from correspondents or customers, the bank is legally bound for the *faithful* performance of the duty; and by the decisions of our courts, the bank is liable for the conduct of the notary, who is deemed the agent of the collecting bank, and not of the party who owns the paper. In all cases of neglect of duty that would make the notary liable were he the collecting agent, the bank who employs him would be liable. . . . . .

The failure must arise from some neglect in the performance of the assigned duties. If wrong notice shall be given, without the neglect of the party who gives the notice, the collecting agent will not be holden, — as, for instance, where the residence of the party is wrongly stated, but still without any neglect of the collecting bank or notary, who all acted on the best information that could be obtained.

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They are only liable for want of due care, and due vigilance, and due faithfulness. They are not holden as insurers; but they are held with much strictness to the performance of all that a vigilant agent ought to perform.

Some years ago, I sent a two thousand dollar note to a bank in New York for collection, and by some mistake the bank omitted to have it presented for payment when it became payable, and consequently the indorsers were not made liable. The maker of the note was insolvent, and all the security depended on the indorsers. The New York bank immediately paid me the two thousand dollars, professing that they knew a defence to be useless. They would doubtless have paid as quickly if the notary had committed some fatal negligence in notifying the indorsers.

But what act will constitute a want of due diligence on the part of a bank or notary is a question of much less certain ascertainment than the general principle which requires the exercise of such diligence. Every case, in this particular, will have to be decided on its own particular merits and demerits, by the aid of the analogy it may bear to the decided cases which have preceded it; and the courts of our several States will not necessarily or probably make decisions exactly alike in substance or in principle. ********.

Collection of Paper. — Rights of Third Parties.

There is another important point for the consideration of bankers and exchange dealers, involving the liability of such parties in the collection of notes and drafts. We shall do no more than recapitulate some of the leading decisions upon this subject, more especially to induce further inquiry among those who undertake the collection of paper.

If A deposit drafts with B for collection at a distant place, B remits them to C at the place of payment, for the same purpose. B fails in business, indebted to C for drafts paid or remittances made. It will be found under decisions of the English and United States courts, that C can hold all collection paper left by A with B, and remitted to C for collection, and apply the proceeds thereof to the balance due by B, in account current with C.

There is a conflict of opinion on this point, as will appear in the case of Clark *v.* Merchants' Bank, before the Supreme Court of New York; but the weight of authority would seem to be on the other side.

When a banker's acceptances exceed the cash balance in his hands, he holds all collateral securities for value. Case of Bosanquet (banker) *v.* Dunham (acceptor of an accommodation bill), *Starkie's Reports.*

A banker who has discounted bills for a customer, or accepted bills for his accommodation, has, while such bills remain unpaid, a lien on any negotiable securities of that customer which may come into his hands, and may put the same in suit.

And even where, taking into account the bills on both sides, the customer has a balance in his favor of a sum not equal to the amount of any one of them, this surplus cannot be appropriated to any one of the bills in reduction of the claim of the banker suing any of the parties to the bill. *Common Law Reports*, Vol. XXI.

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This was an action by the assignees of Marsh, Stracey, & Co. (of which firm Fauntleroy the forger was a member), bankrupts, on a bill of exchange for £ 337, drawn upon the defendant and accepted by him for accommodation of the drawer.

Bankers have a general lien upon all notes, bills, and other securities deposited with them, by their customers, for the balance due to them on general account. Indeed, they may properly be considered as holders for value, of notes and bills and other securities, indorsed in blank, and deposited with them, for all advances, and all acceptances, made by them for a customer, which exceed his cash balance. *Story on Agency*, § 380.

Negotiable instruments, when indorsed in blank, or payable to bearer, are treated as a sort of currency, and pass in the market without inquiry as to the title of the holder; and the negotiability of all instruments would be greatly impaired, if not wholly destroyed, by a different doctrine.

The Supreme Court of New York have, however, adopted the following rule: — "The owner of a bill or note, sent to an agent or banker for collection, continues to be the owner of the proceeds when collected, and may reclaim the same from his agent or his assignee, so long as the same can be identified or distinguished from the agent's own property; and when the proceeds can no longer be traced specifically, the principal becomes the creditor at large of the agent or banker, for the amount." *Clark* v. *Merchants' Bank of New York*, before the Supreme Court of New York.

On the contrary, the Supreme Court of the United States has decided, in the late case of the New England Bank against the Bank of Metropolis, for paper deposited by the former with the Commonwealth Bank, and by the latter remitted to the Bank of Metropolis, that the collecting bank is not liable to the first party. Their decision is as follows: — "If the Bank of the Metropolis regarded and treated the Commonwealth Bank as the owner of the negotiable paper which it transmitted for collection, and had no notice to the contrary, and, upon the credit of such remittances made or anticipated in the usual course of dealings between them, balances were from time to time suffered to remain in the hands of the Commonwealth Bank, to be met by the proceeds of such negotiable paper, then the Bank of the Metropolis was entitled to retain against the New England Bank for the balance of account due from the Commonwealth Bank."

Our readers will perhaps recollect that the latter bank was one of several institutions that grew up in consequence of the pet bank system, following the veto of the United States Bank charter. The Commonwealth Bank acted as the medium of collection at Washington for the New England Bank, and failed while having certain drafts or notes in hand belonging to the latter. A case somewhat similar occurred before the Supreme Court of Ohio, as reported in our last volume, p. 512, and the decision was to the same effect as in the above case before the Supreme Court of the United States.

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BANK STATISTICS.

Dividends of the Boston Banks, 1846 – 1850.

Name of Bank.	*Capital.*	*Year* 1846.	*Year* 1847.	*Year* 1848.	*Year* 1849.	*April,* 1850.	*Oct.,* 1850.
		per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
Merchants' Bank,	$ 3,000,000	7	7	8	8	4	4
State Bank,	1,800,000	6	6	6½	7	3½	3½
City Bank,	1,000,000	6	6	7	7	4	3½
Globe Bank,	1,000,000	6½	7	7½	8	4	4
Suffolk Bank,	1,000,000	8	10	10	10	5	5
New England Bank,	1,000,000	6	8	8	8	4	4
Boston Bank,	900,000	7	7	8	8	4	4
Massachusetts Bank,	800,000	6	6	6	6	3	3
Union Bank,	800,000	6	7	7	7	4	4
North Bank,	750,000	6	6	6	6½	3½	3½
Shoe and Leather Dealers',	750,000	7½	8	9	8½	4½	4
Market Bank,	560,000	9	9½	10	10	5	5
Atlantic Bank,	500,000	6	6½	7	8	4	4
Atlas Bank,	500,000	6	6½	6½	7	3½	3½
Columbian Bank,	500,000	6	6	7	7½	3½	3½
Eagle Bank,	500,000	6½	6½	7	7	3½	3½
Exchange Bank,	500,000		new	8½	8	4	4
Granite Bank,	500,000	7	6½	7	7	3½	3½
Hamilton Bank,	500,000	7	7	7	7	3½	3½
Shawmut Bank,	500,000	6½	7	7½	7½	4	4
Tremont Bank,	500,000	6	6½	7	7½	4	4
Washington Bank,	500,000	6	6½	6½	6	3	3
Traders' Bank,	400,000	6	7	7½	8	4	4
Freeman's Bank,	250,000	8	8	8½	9	4½	4½
Grocers' Bank,	250,000			new	8	4	4
Boylston Bank,	200,000	5	8	8½	8	4½	4½
Cochituate Bank,	150,000				new	3	4
Mechanics' Bank,	150,000	8	8	8	8	4	4
Capital,	$ 19,760,000						

Year.	*Capital.*	*Dividend.*	*Year.*	*Capital.*	*Dividend.*
1845,	$ 17,480,000	$ 1,112,100	1848,	$ 18,330,000	$ 1,373,100
1846,	18,030,000	1,188,500	1849,	19,280,000	1,477,350
1847,	18,030,000	1,269,300	1850,	19,760,000	1,539,000

Additions have been made to the bank capital of Boston, during the present year, as follows: —

28 banks above enumerated,	$ 19,760,000
Bank of Commerce, commenced business August, 1, 1850,	750,000
Bank of North America, " " October, 8, 1850,	500,000
Grocers' Bank, increased, October, 1850,	50,000
Tremont Bank, increased, " "	500,000
Union Bank, increased, " "	200,000
Total bank capital of Boston, November 1, 1850,	$ 21,760,000

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INDIANA. — Circular of the State Bank of Indiana: —

State Bank of Indiana, Indianapolis, Aug. 16, 1850.

SIR, — I herewith transmit the following proceedings of the Board of Directors of this bank at its session just closed, which please to lay before the Board of Directors of your institution. Very respectfully yours,

JAMES M. RAY, Cashier.

Resolved, That the Ohio Life Insurance and Trust Company, in assuming the agency of the Associated Banks of Ohio and Wheeling, occupies a hostile position in regard to the State Bank of Indiana, and on this account it shall be the duty of the Branches of this Bank having deposits in that Company to withdraw such deposits within the next thirty days, and, as soon as practicable, to sever all connection with her which is not necessary for the convenience of their customers.

Resolved, That the counters of the respective branches are the only proper, as they are the only legal, places for the redemption of their notes, and that in such redemption from the Ohio Agency, or any hostile institutions, specie, and nothing else, should be paid.

Resolved, That any arrangement, permanent or temporary, by which any of the Branches of this Bank redeem, or agree to redeem, their notes at the Ohio Agency with exchange, is inconsistent with the dignity of the Bank, and tends to make her tributary to Cincinnati and her banking institutions.

Resolved, That as long as the Ohio Agency continues its present operations, the Branches of this Bank should, as far as practicable, replenish their vaults by specie, to be obtained at Cincinnati, and that the importation of coin from the East for such purpose is of doubtful expediency.

Resolved, That it be recommended to the different branches to give circulation, as far as practicable, to the notes of such Western banking institutions, in good standing, as are not connected with the Ohio Agency; and to coöperate with them in such measures as may be deemed advisable to resist its aggressions.

Resolved, That the Cashier transmit to the President of the Board of Control of the State Bank of Ohio, at Columbus, and the several banks of Ohio, a copy of the foregoing resolutions, to be laid before such boards at their first sessions respectively.

JAMES M. RAY, Cashier.

CITY BANK, QUEBEC. — The Vice-President of the City Bank, Quebec, arrived in this city, on Saturday evening, in search of Robert Coles, Teller of the bank, who disappeared on Sunday last from Quebec. Since his disappearance, it has been ascertained that he is a defaulter to the amount of $ 20,000, and it is expected he left for England in the last steamer. — *Boston Atlas, 7th October.*

MARYLAND COUNTRY BANKS, JANUARY, 1850.

From the Official Report of the Secretary of the Treasury, April, 1850.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Bal., &c.*
Farmers' Bank of Maryland, .	$ 819,575	$ 259,338	$ 786,287	$ 39,844
Farmers and Mechanics', .	125,430	86,403	156,920	3,328
Frederick County Bank, . .	150,000	77,595	36,172	11,911
Hagerstown Bank, . .	250,000	248,652	54,705	21,300
Cumberland Bank, . . .	112,937	30,093	63,248	8,655
Mineral Bank, . . .	169,137	126,647	90,282	1,023
Patapsco Bank, . . .	125,000	59,544	70,959	5,800
Bank of Westminster, . .	60,000	78,003	58,670	1,133
Havre de Grace Bank, . .	50,000	28,412	1,223	. . .
Bank of Salisbury, . . .	40,000	34,196	2,874	. . .
Washington County Bank, .	135,000	No Returns.		. . .
Total liabilities, . .	$ 2,037,079	$ 1,028,883	$ 1,321,340	$ 92,994
Baltimore Banks, . .	6,975,794	2,073,587	3,840,409	1,622,589
	$ 9,012,873	3,102,470	5,161,749	1,715,583

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RESOURCES.	*Loans, Stocks, &c.*	*Real Estate.*	*Bank Balances.*	*Specie.*
Farmers' Bank of Maryland,	$ 1,363,548	$ 35,716	$ 386,348	$ 139,686
Farmers and Mechanics',	277,884	4,500	51,796	68,483
Frederick County Bank,	237,884	5,109	15,012	26,996
Hagerstown Bank,	480,839	45,357	22,622	59,789
Cumberland Bank,	175,905	1,510	37,230	22,519
Mineral Bank,	237,348	. . .	92,051	28,022
Patapsco Bank,	216,633	11,090	16,642	22,970
Bank of Westminster,	150,139	10,100	28,500	24,547
Havre de Grace Bank,	48,884	. . .	24,436	10,177
Bank of Salisbury,	71,543	. . .	1,613	4,975
Washington County Bank,	. . .	No Returns.	. . .	. . .
Total, Country Banks,	$ 3,260,607	$ 113,382	$ 676,250	$ 408,164
Baltimore Banks,	11,656,128	271,384	1,134,320	2,127,983
Total,	$ 14,916,735	$ 384,766	$ 1,810,570	$ 2,526,147

NORTHWESTERN BANK OF VIRGINIA, AT WHEELING, AND ITS BRANCHES AT WELLSBURG AND PARKERSBURG, 1849 – 1850.

	Oct. 1, 1849.	*April* 1, 1850.	*Oct.* 1, 1850.
Bills Discounted, — Domestic,	$ 670,332.88	$ 714,693.67	$ 698,825.82
" " Foreign,	420,274.04	507,616.95	586,110.91
Stock, — of this Bank,	37,300.00	37,300.00	37,300.00
" Wheeling and Belmont Bridge Co.,	20,000.00	20,000.00	20,000.00
" Fire and Marine Insurance Co.,	1,728.50	1,728.50	1,728.50
Banking Houses,	27,180.01	27,180.01	23,935.66
Other Real Estate,	52,741.41	53,251.98	51,251.98
Gold and Silver Coin,	203,926.22	214,676.89	210,490.39
Notes of other Banks, and Checks,	81,706.94	63,414.13	40,042.17
Due by other Banks,	131,714.92	112,617.40	159,467.02
In transit between Parent Bank and Branches,		930.84	2,867.03
Expense Account for previous three months,	2,926.21	2,435.02	2,672.51
Total Resources,	$ 1,649,831.13	$ 1,755,845.39	$ 1,834,691.99

	Oct. 1, 1849.	*April* 1, 1850.	*Oct.* 1, 1850.
Capital paid in,	$ 740,600 00	$ 740,600.00	$ 740,600.00
Circulation of Parent Bank and Branches,	675,408.00	795,644.00	815,183.00
Due to Depositors, including certificates,	171,412.93	149,564.81	160,185.63
Due to other Banks,	12,296.21	17,355.70	66,567.60
Surplus, exclusive of profits of last three months,	33,809.10	33,248.97	33,900.09
Discount received, for previous three months,	13,958.13	15,603.60	15,742.66
Exchange, " " "	2,287.54	3,264.98	2,513.01
Miscellaneous,	59.22	563.33	. . .
Total Liabilities,	$ 1,649,831.13	$ 1,755,845.39	$ 1,834,691.99

BANK AT WHEELING. — Capital, $ 522,600. President, John C. Campbell. Directors for 1850, James Paull, Ephraim Pollock, Robert Morrison, Lewis Steenrod, Robert Crangle, James H. Stout, Thomas Paull, Otho W. Heiskell. Cashier, Daniel Lamb.

BRANCH AT WELLSBURG. — Capital, $ 118,000. President, Adam Kuhn. Directors, John Carle, William Tarr, Perry Plattenburg, Danforth Brown, Jr., Samuel L. Marks, John M. Wells. Cashier, Samuel Jacob.

BRANCH AT PARKERSBURG. — Capital, 100,000. President, James M. Stephenson. Directors, John G. Stringer, George Neale, Jr., George W. Henderson, Daniel C. Lovett, John Stephenson, William Logan. Cashier, Beverly Smith.

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Banks of Delaware, January, 1850.

From the Report of the Secretary of the Treasury, April, 1850.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Due Banks.*
Farmers' Bank, Dover,	$ 630,000	$ 282,000	$ 153,000	$ 84,000
Bank of Delaware,	110,000	125,000	96,000	23,000
Bank of Smyrna,	100,000	92,000	28,000	1,200
Delaware City Bank,	50,000	150,000	12,000	1,200
Union Bank of Delaware,	300,000	No Returns.	. . .	. . . .
Wilmington and Brandywine Bank,	200,000	" "	. . .	. . . .
Total,	$ 1,440,000	$ 649,000	$ 289,000	$ 109,400

RESOURCES.	*Loans.*	*Real Estate.*	*Specie.*	*Bank Balances.*
Farmers' Bank,	$ 973,000	$ 57,300	$ 67,000	$ 140,000
Bank of Delaware,	350,000	15,000	31,000	21,000
Bank of Smyrna,	198,000	6,300	27,000	45,000
Delaware City Bank,	131,000	6,400	21,000	11,000
Union Bank,	No Returns.	. . .	. . .	. . .
Wilmington and Brandywine Bank,	" "	. . .	. . .	. . .
Total,	$ 1,652,000	$ 85,000	$ 146,000	$ 217,000

Michigan, January 1, 1850.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Balances.*
Peninsular Bank,	$ 100,000	$ 48,000	$ 29,000	. . . .
Michigan Insurance Company,	112,070	165,000	71,000	$ 15,800
Farmers and Mechanics',	400,000	224,000	210,000	900
Michigan State Bank,	148,895	185,000	95,000	. . . .
Total,	$ 760,965	$ 622,000	$ 405,000	$ 16,700

RESOURCES.	*Loans and Stocks.*	*Real Estate.*	*Specie.*	*Bank Balances.*
Peninsular Bank,	$ 51,000	. . . . .	$ 9,400	$ 6,400
Michigan Insurance Company,	260,000	$ 4,300	32,000	38,000
Farmers and Mechanics',	728,000	. . .	20,000	73,600
Michigan State Bank,	325,000	. . .	44,000	70,000
Total,	$ 1,364,000	$ 4,300	$ 105,400	$ 188,000

Banks of North Carolina, 1849 – 50.

LIABILITIES.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Balances.*
Bank State of North Carolina,	$ 1,500,000	$ 1,525,739	$ 378,390	$ 12,376
Bank of Cape Fear,	1,500,000	1,581,201	273,479	35,871
Commercial Bank,	132,300	197,075	21,932	14,083
Merchants' Bank,	225,000	111,773	46,977	. . .
Total,	$ 3,407,300	$ 3,415,788	$ 720,778	$ 62,330

RESOURCES.	*Loans and Stocks.*	*Real Estate.*	*Specie.*	*Bank Balances and Notes.*
Bank State of North Carolina,	$ 2,734,941	$ 45,063	$ 664,336	$ 246,604
Bank of Cape Fear,	2,056,581	71,556	668,331	733,642
Commercial Bank,	286,923	7,882	35,022	96,062
Merchants' Bank,	240,562	6,968	42,665	116,235
Total,	$ 5,319,007	$ 131,467	$ 1,410,354	$ 1,192,543

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THE FIRST BANK-NOTE FORGERY.

BY CHARLES DICKENS.

VIOTTI's division of violin-playing into two great classes — good playing and bad playing — is applicable to bank-note making. The processes employed in manufacturing good bank-notes we have already described; we shall now cover a few pages with a faint outline of the various arts, stratagems, and contrivances employed in concocting bad bank-notes. The picture cannot be drawn with very distinct or strong markings. The tableaux from which it is copied are so intertwisted and complicated with clever, slippery, ingenious scoundrelism, that a finished chart of it would be worse than morally displeasing, — it would be tedious.

All arts require time and experience for their development. When any thing great is to be done, first attempts are nearly always failures. The first bank-note forgery was no exception to this rule, and its story has a spice of romance in it. The affair has never been circumstantially told; but some research enables us to detail it: —

In the month of August, 1757, a gentleman living in the neighbourhood of Lincoln's Inn Fields, named Bliss, advertised for a clerk. There were, as was usual even at that time, many applicants; but the successful one was a young man of twenty-six, named Richard Vaughan. His manners were so winning, and his demeanour so much that of a gentleman (he belonged indeed to a good county family in Staffordshire, and had been a student at Pembroke Hall, Oxford), that Mr. Bliss at once engaged him. Nor had he occasion, during the time the new clerk served him, to repent the step. Vaughan was so diligent, intelligent, and steady, that not even when it transpired that he was, commercially speaking, "under a cloud," did his master lessen confidence in him. Some inquiry into his antecedents showed that he had, while at college, been extravagant; that his friends had removed him thence; set him up in Stafford as a wholesale linen-draper, with a branch establishment in Aldersgate Street, London; that he had failed, and that there was some difficulty about his certificate. But so well did he excuse his early failings, and account for his misfortunes, that his employer did not check the regard he felt growing towards him. Their intercourse was not merely that of master and servant. Vaughan was a frequent guest at Bliss's table; by and by a daily visitor to his wife, and — to his ward.

Miss Bliss was a young lady of some attractions, not the smallest of which was a handsome fortune. Young Vaughan made the most of his opportunities. He was well-looking, well-informed, dressed well, and evidently made love well, for he won the young lady's heart. The guardian was not flinty-hearted, and acted like a sensible man of the world. "It was not," he said on a subsequent and painful occasion, "till I learned from the servants and observed by the girl's behaviour that she greatly approved Richard Vaughan, that I consented; but on condition that he should make it appear that he could maintain her. I had no

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doubt of his character as a servant, and I knew his family were respectable. His brother is an eminent attorney." Vaughan boasted that his mother (his father was dead) was willing to reinstate him in business with a thousand pounds; five hundred of which was to be settled upon Miss Bliss for her separate use.

So far all went on prosperously. Providing Richard Vaughan could attain a position satisfactory to the Blisses, the marriage was to take place on the Easter Monday following, which the calendar tells us happened early in April, 1758. With this understanding, he left Mr. Bliss's service, to push his fortune.

Months passed on, and Vaughan appears to have made no way in the world. He had not even obtained his bankrupt's certificate. His visits to his affianced were frequent, and his protestations passionate; but he had effected nothing substantial towards a happy union. Miss Bliss's guardian grew impatient; and, although there is no evidence to prove that the young lady's affection for Vaughan was otherwise than deep and sincere, yet even she began to lose confidence in him. His excuses were evidently evasive, and not always true. The time fixed for the wedding was fast approaching; and Vaughan saw that something must be done to restore the young lady's confidence.

About three weeks before the appointed Easter Tuesday, Vaughan went to his mistress in high spirits. All was right: his certificate was to be granted in a day or two; his family had come forward with the money, and he was to continue the Aldersgate business he had previously carried on as a branch of the Stafford trade. The capital he had waited so long for was at length forthcoming. In fact, here were two hundred and forty pounds of the five hundred he was to settle on his beloved. Vaughan then produced twelve twenty-pound notes; Miss Bliss could scarcely believe her eyes. She examined them. The paper she remarked seemed rather thicker than usual. "O," said Bliss, "all bank-bills are not alike." The girl was naturally much pleased. She would hasten to apprise Mistress Bliss of the good news.

Not for the world! So far from letting any living soul know he had placed so much money in her hands, Vaughan exacted an oath of secrecy from her, and sealed the notes up in a parcel with his own seal; making her swear that she would on no account open it till after their marriage.

Some days after, that is, "on the 22d of March" (1758), we are describing the scene in Mr. Bliss's own words, — "I was sitting with my wife by the fireside. The prisoner and the girl were sitting in the same room, — which was a small one, — and although they whispered, I could distinguish that Vaughan was very urgent to have something returned which he had previously given to her. She refused, and Vaughan went away in an angry mood. I then studied the girl's face, and saw that it expressed much dissatisfaction. Presently a tear broke out. I then spoke, and insisted on knowing the dispute. She refused to tell, and I told her that until she did, I would not see her. The next day I asked the same question of Vaughan; he hesitated. 'O!' I said, 'I dare say it is some ten or twelve pound matter, — something to buy a wedding bawble with.' He answered that it was much more than that, it

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was near three hundred pounds! 'But why all this secrecy?' I said; and he answered, it was not proper for people to know he had so much money till his certificate was signed. I then asked him to what intent he had left the notes with the young lady? He said, as I had of late suspected him, he designed to give her a proof of his affection and truth. I said, 'You have demanded them in such a way that it must be construed as an abatement of your affection towards her.'" Vaughan was again exceedingly urgent in asking back the packet; but Bliss, remembering his many evasions, and supposing that this was a trick, declined advising his niece to restore the parcel without proper consideration. The very next day it was discovered that the notes were counterfeits.

This occasioned stricter inquiries into Vaughan's previous career. It turned out that he bore the character, in his native place, of a dissipated and not very scrupulous person. The intention of his mother to assist him was an entire fabrication, and he had given Miss Bliss the forged notes solely for the purpose of deceiving her on that matter. Meanwhile the forgeries became known to the authorities, and he was arrested. By what means does not clearly appear. The "Annual Register" says that one of the engravers gave information; but we find nothing in the newspapers of the time to support that statement; neither was it corroborated at Vaughan's trial.

When Vaughan was arrested, he thrust a piece of paper into his mouth, and began to chew it violently. It was, however, rescued, and proved to be one of the forged notes; fourteen of them were found on his person, and when his lodgings were searched twenty more were discovered.

Vaughan was tried at the Old Bailey on the 7th of April, before Lord Mansfield. The manner of the forgery was detailed minutely at the trial: — On the 1st of March (about a week before he gave the twelve notes to the young lady) Vaughan called on Mr. John Corbould, an engraver, and gave an order for a promissory note to be engraved with these words: —

"No. ——.

"I promise to pay to ———, or Bearer, ——, London ——."

There was to be a Britannia in the corner. When it was done, Mr. Sneed (for that was the *alias* Vaughan adopted) came again, but objected to the execution of the work. The Britannia was not good, and the words, "I promise," were too near the edge of the plate. Another was in consequence engraved, and on the 4th of March Vaughan took it away. He immediately repaired to a printer, and had forty-eight impressions taken on thin paper, provided by himself. Meanwhile, he had ordered, on the same morning, of Mr. Charles Fourdrinier, another engraver, a second plate, with what he called a "direction," in the words, "For the Governor and Company of the Bank of England." This was done, and about a week later he brought some paper, each sheet "folded up," said the witness, "very curiously, so that I could not see what was in them. I was going to take the papers from him, but he said he must go up stairs with me, and see them worked off him-

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self. I took him up stairs; he would not let me have them out of his hands. I took a sponge and wetted them, and put them one by one on the plate in order for printing them. After my boy had done two or three of them, I went down stairs, and my boy worked the rest off, and the prisoner came down and paid me."

Here the court pertinently asked, "What imagination had you when a man thus came to you to print on secret paper, 'the Governor and Company of the Bank of England'?"

The engraver's reply was,— "I then did not suspect any thing. But I shall take care for the future." As this was the first Bank of England note forgery that was ever perpetrated, the engraver was held excused.

It may be mentioned as an evidence of the delicacy of the reporters that, in their account of the trial, Miss Bliss's name is not mentioned. Her designation is "a young lady." We subjoin the notes of her evidence: —

"A young lady (sworn). The prisoner delivered me some bills; these are the same (producing twelve counterfeit bank-notes sealed up in a cover, for twenty pounds each); said they were bank-bills. I said they were thicker paper, — he said all bills are not alike. I was to keep them till after we were married. He put them into my hands to show he put confidence in me, and desired me not to show them to any body; sealed them up with his own seal, and obliged me by an oath not to discover them to any body. And I did not till he had discovered them himself. He was to settle so much in stock on me."

Vaughan urged in his defence that his sole object was to deceive his affianced, and that he intended to destroy all the notes after his marriage. But it had been proved that the prisoner had asked one John Ballingar to change first one, and then twenty of the notes; but which that person was unable to do. Besides, had his sole object been to dazzle Miss Bliss with his fictitious wealth, he would most probably have intrusted more, if not all the notes, to her keeping.

He was found guilty, and passed the day that had been fixed for his wedding as a condemned criminal.

On the 11th May, 1758, Richard William Vaughan was executed at Tyburn. By his side, on the same gallows, there was another forger, William Boodgere, a military officer, who had forged a draught on an army agent named Calcroft, and expiated the offence with the first forger of Bank of England notes.

The gallows may seem hard measure to have meted out to Vaughan, when it is considered that none of his notes were negotiated, and no person suffered by his fraud. Not one of the forty-eight notes, except the twelve delivered to Miss Bliss, had been out of his possession; indeed, the imitation must have been very clumsily executed, and detection would have instantly followed any attempt to pass the counterfeits. There was no endeavour to copy the style of engraving on a real bank-note. That was left to the engraver; and as each sheet passed through the press twice, the words added at the second printing, "For the Governor and Company of the Bank of England," could have fallen into their proper place on any one of the sheets only by a miracle. But what

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would have made the forgery clear to even a superficial observer was the singular omission of the second "n" in the word England.*

The criticism on Vaughan's note of a bank clerk examined on the trial was: — "There is some resemblance, to be sure; but this note" (that upon which the prisoner was tried) "is numbered thirteen thousand eight hundred and forty, and we never reach so high a number." Besides, there was no water-mark in the paper. The note, of which a fac-simile appeared in our eighteenth number, and dated so early as 1699, has a regular design in the texture of the paper; showing that the water-mark is as old as the bank-notes themselves.

Vaughan was greatly commiserated. But despite the unskilfulness of the forgery, and the insignificant consequences which followed it, the crime was considered of too dangerous a character not to be marked, from its very novelty, with exemplary punishment. Hanging created at that time no remorse in the public mind, and it was thought necessary to set up Vaughan as a warning to all future bank-note forgers. The crime was too dangerous not to be marked with the severest penalties. Forgery differs from other crimes not less in the magnitude of the spoils it may obtain, and of the injury it inflicts, than in the facilities attending its accomplishment. The common thief finds a limit to his depredations in the bulkiness of his booty, which is generally confined to such property as he can carry about his person; the swindler raises insuperable and defeating obstacles to his frauds if the amount he seeks to obtain is so considerable as to awaken close vigilance or inquiry. To carry their projects to any very profitable extent, these criminals are reduced to the hazardous necessity of acting in concert, and thus infinitely increasing the risks of detection. But the forger need have no accomplice; he is burdened with no bulky and suspicious property; he needs no receiver to assist his contrivances. The skill of his own individual right hand can command thousands; often with the certainty of not being detected, and oftener with such rapidity as to enable him to baffle the pursuit of justice.

It was a long time before Vaughan's rude attempt was improved upon; but in the same year (1758), another department of the crime was commenced with perfect success, — namely, an ingenious alteration, for fraudulent purposes, of real bank-notes. A few months after Vaughan's execution, one of the northern mails was stopped and robbed by a highwayman; several bank-notes were comprised in the spoil, and the robber, setting up with these as a gentleman, went boldly to the Hatfield post-office, ordered a chaise and four, rattled away down the road, and changed a note at every change of horses. The robbery was, of course, soon made known, and the numbers and dates of the stolen notes were advertised as having been stopped at the bank. To the genius of a highwayman this offered but a small obstacle, and the gentleman-thief changed all the figures "1" he could find into "4's." These notes

* Bad orthography was by no means uncommon in the most important documents at that period; the days of the week, in the day-books of the Bank of England itself, are spelt in a variety of ways.

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passed currently enough; but, on reaching the bank, the alteration was detected, and the last holder was refused payment. As that person had given a valuable consideration for the note, he brought an action for the recovery of the amount; and at the trial it was ruled by the Lord Chief Justice, that "any person paying a valuable consideration for a bank-note, payable to bearer, in a fair course of business, has an understood right to receive the money of the bank."

It took a quarter of a century to bring the art of forging bank-notes to perfection. In 1779, this was nearly attained by an ingenious gentleman named Mathison, a watchmaker, from the matrimonial village of Gretna Green. Having learned the arts of engraving and of simulating signatures, he tried his hand at the notes of the Darlington Bank; but, with the confidence of skill, was not cautious in passing them, was suspected, and absconded to Edinburgh. Scorning to let his talent be wasted, he favored the Scottish public with many spurious Royal Bank of Scotland notes, and regularly forged his way by their aid to London. At the end of February he took handsome lodgings in the Strand, opposite Arundel Street. His industry was remarkable; for, by the 12th of March, he had planed and polished rough pieces of copper, engraved them, forged the water-mark, printed and negotiated several impressions. His plan was to travel and to purchase articles in shops. He bought a pair of shoe-buckles at Coventry with a forged note, which was eventually detected at the Bank of England. He had got so bold that he paid such frequent visits in Threadneedle Street that the bank clerks became familiar with his person. He was continually changing notes of one, for another denomination. These were his originals, which he procured to make spurious copies of. One day seven thousand pounds came in from the Stamp Office. There was a dispute about one of the notes. Mathison, who was present, though at some distance, declared, oracularly, that the note was a good one. How could he know so well? A dawn of suspicion arose in the minds of the clerks; one trail led into another, and Mathison was finally apprehended. So well were his notes forged that, on the trial, an experienced bank clerk declared he could not tell whether the note handed him to examine was forged or not. Mathison offered to reveal his secret of forging the water-mark, if mercy were shown to him; this was refused, and he suffered the penalty of his crime.

Mathison was a genius in his criminal way, but a greater than he appeared in 1786. In that year perfection seemed to have been reached. So considerable was the circulation of spurious paper-money, that it appeared as if some unknown power had set up a bank of its own. Notes were issued from it, and readily passed current, in hundreds and thousands. They were not to be distinguished from the genuine paper of Threadneedle Street. Indeed, when one was presented there, in due course, so complete were all its parts; so masterly the engraving; so correct the signatures; so skilful the watermark, that it was promptly paid; and only discovered to be a forgery when it reached a particular department. From that period forged paper continued to be presented, especially at the time of lottery drawing. Consultations were held with

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the police. Plans were laid to help detection. Every effort was made to trace the forger. Clarke, the best detective of his day, went like a sluth-hound on the track; for in those days the expressive word "blood-money" was known. Up to a certain point there was little difficulty; but beyond that, consummate art defied the ingenuity of the officer. In whatever way the notes came, the train of discovery always paused at the lottery offices. Advertisements offering large rewards were circulated; but the unknown forger baffled detection.

While this base paper was in full currency, there appeared an advertisement in the Daily Advertiser for a servant. The successful applicant was a young man in the employment of a musical-instrument maker; who, some time after, was called upon by a coachman, and informed that the advertiser was waiting in a coach to see him. The young man was desired to enter the conveyance, where he beheld a person with something of the appearance of a foreigner, sixty or seventy years old, apparently troubled with the gout. A camlet surtout was buttoned round his mouth; a large patch was placed over his left eye; and nearly every part of his face was concealed. He affected much infirmity. He had a faint hectic cough; and invariably presented the patched side to the view of the servant. After some conversation,—in the course of which he represented himself as guardian to a young nobleman of great fortune,—the interview concluded with the engagement of the applicant; and the new servant was directed to call on Mr. Brank, at 29, Titchfield Street, Oxford Street. At this interview Brank inveighed against his whimsical ward for his love of speculating in lottery tickets; and told the servant that his principal duty would be to purchase them. After one or two meetings, at each of which Brank kept his face muffled, he handed a forty and twenty pound bank-note; told the servant to be very careful not to lose them; and directed him to buy lottery-tickets at separate offices. The young man fulfilled his instructions, and at the moment he was returning, was suddenly called by his employer from the other side of the street, congratulated on his rapidity, and then told to go to various other offices in the neighbourhood of the Royal Exchange, and to purchase more shares. Four hundred pounds in Bank of England notes were handed him, and the wishes of the mysterious Mr. Brank were satisfactorily effected. These scenes were continually enacted. Notes to a large amount were thus circulated; lottery-tickets purchased; and Mr. Brank — always in a coach, with his face studiously concealed — was ever ready on the spot to receive them. The surprise of the servant was somewhat excited; but had he known that, from the period he left his master to purchase the tickets, one female figure accompanied all his movements,—that when he entered the offices it waited at the door, peered cautiously in at the window, hovered around him like a second shadow, watched him carefully, and never left him until once more he was in the company of his employer,—that surprise would have been greatly increased.* Again and again were these extraordinary scenes rehearsed. At last the bank obtained a clew, and

* Francis's History of the Bank of England.

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the servant was taken into custody. The directors imagined that they had secured the actor of so many parts; that the flood of forged notes which had inundated that establishment would at length be dammed up at its source. Their hopes proved fallacious, and it was found that "Old Patch" (as the mysterious forger was, from the servant's description, nicknamed) had been sufficiently clever to baffle the bank directors. The house in Titchfield Street was searched; but Mr. Brank had deserted it, and not a trace of a single implement of forgery was to be seen.

All that could be obtained was some little knowledge of "Old Patch's" proceedings. It appeared that he carried on his paper coining entirely by himself. His only confidant was his mistress. He was his own engraver. He even made his own ink. He manufactured his own paper. With a private press he worked his own notes; and counterfeited the signatures of the cashiers, completely. But these discoveries had no effect; for it became evident that Mr. Patch had set up a press elsewhere. Although his secret continued as impenetrable, his notes became as plentiful as ever. Five years of unbounded prosperity ought to have satisfied him; but it did not. Success seemed to pall him. His genius was of that insatiable order which demands new excitements, and a constant succession of new flights. The following paragraph from a newspaper of 1786 relates to the same individual: —

"On the 17th of December, ten pounds was paid into the bank, for which the clerk, as usual, gave a ticket to receive a bank-note of equal value. This ticket ought to have been carried immediately to the cashier, instead of which the bearer took it home, and curiously added an 0 to the original sum, and returning, presented it so altered to the cashier, for which he received a note of one hundred pounds. In the evening, the clerks found a deficiency in the accounts; and on examining the tickets of the day, not only that but two others were discovered to have been obtained in the same manner. In the one, the figure 1 was altered to 4, and in another to 5, by which the artist received, upon the whole, nearly one thousand pounds."

To that princely felony, Old Patch, as will be seen in the sequel, added smaller misdemeanours, which one would think were far beneath his notice; except to convince himself and his mistress of the unbounded facility of his genius for fraud.

At that period the affluent public were saddled with a tax on plate; and many experiments were made to evade it. Among others, one was invented by a Mr. Charles Price, a stock-jobber and lottery-office keeper, which, for a time, puzzled the tax-gatherer. Mr. Charles Price lived in great style, gave splendid dinners, and did every thing on the grandest scale. Yet Mr. Charles Price had no plate! The authorities could not find so much as a silver toothpick on his magnificent premises. In truth, what he was too cunning to possess, he borrowed. For one of his sumptuous entertainments, he hired the plate of a silversmith in Cornhill, and left the value in bank-notes as security for its safe return. One of these notes having proved a forgery, was traced to Mr. Charles Price; and Mr. Charles Price was not to be found at that particular juncture. Although this excited no surprise, — for he was often an absentee from

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his office for short periods, — yet in due course, and as a formal matter of business, an officer was set to find him, and to ask his explanation regarding the false note. After tracing a man who he had a strong notion was Mr. Charles Price through countless lodgings and innumerable disguises, the officer (to use his own expression) "nabbed" Mr. Charles Price. But, as Mr. Clarke observed, his prisoner and his prisoner's lady were even then "too many" for him; for although he lost not a moment in trying to secure the forging implements, after he had discovered that Mr. Charles Price, and Mr. Brank, and Old Patch, were all concentrated in the person of his prisoner, he found the lady had destroyed every trace of evidence. Not a vestige of the forging factory was left. Not the point of a graver, nor a single spot of ink, nor a shred of silver paper, nor a scrap of any body's handwriting, was to be met with. Despite, however, this paucity of evidence to convict him, Mr. Charles Price had not the courage to face a jury, and eventually he saved the judicature and the Tyburn executive much trouble and expense, by hanging himself in Bridewell.

The success of Mr. Charles Price has never been surpassed; and even after the darkest era in the history of bank forgeries, — which dates from the suspension of cash payments, in February, 1797, and which will be treated of in a succeeding paper, — "Old Patch" was still remembered as the Cæsar of forgers.

A CHAPTER ON DIAMONDS.

From the London New Monthly Magazine.

(*Continued from page 275, October No.*)

The secret of polishing diamonds by other diamonds was discovered in 1476, by one Louis de Berguem, and the first polished diamond is reported to have belonged to Charles the Bold. It is related by some that he lost this precious jewel at the battle of Morat, in Switzerland, and that the Bernese who found it sold it to some rich merchants of Augsburg, who again sold it to Henry the Eighth of England, one of whose daughters carried it as a dowry to Philip the Second of Spain.

Diamonds, it may be observed, are cut into various forms; these are called the brilliant, the rose, and the table. The first of these displays the gem to the best advantage, ranks first in estimation, and is always set with the table upwards. The rose may be considered as formed by covering the entire surface with equilateral triangles, terminating in a sharp point at the summit, and it is employed when the spread of surface is too great for its depth, since, being thus disproportioned, a great loss would be sustained were it to receive the brilliant form. The table is applied to such diamonds as may be considered plates, laminæ, or slabs, such whose shallow depth is widely disproportioned to their superficial extent. The brilliant and the rose lose, in the process of cutting and polishing, some-

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what less than half their weight; consequently the value of a cut stone is double that of an uncut one, independent altogether of the expense of the process.

The Koh-i-Nur is rose-cut. When first given to Shah Jehan, it was still uncut, and it weighed, it is said, in that rough state, nearly 800 carats, which were reduced by the unskilfulness of the artist to 279, its present weight. It was cut by Hortensio Borgis, a Venetian, who, instead of receiving a remuneration for his labor, was fined 10,000 rupees for his wastefulness, by the enraged Mogul.

The word "carat," it is to be observed, is derived from "kuara," a kind of bean, by which gold-powder was originally weighed in the East. The plant from which this bean is produced is a species of Erythrina, or coral-tree, of which the common cock's-comb is a familiar example. The species producing the bean, in common use as a weight, is figured in Bruce's Travels. A carat weighs precisely four grains, even beam, as the balance is not allowed to decline. The small diamonds and fragments are sold in the East, by the diamond-merchants, contained in small bags, sealed up; so that to the purchaser it is a complete chance-medley; in this way, too, are pearls, cornelians, &c., disposed of at the India House.

According to the rule supplied by Mr. Jefferies, who wrote a treatise on diamonds, the value of diamonds is in the duplicate rate of their weights. Thus, suppose an uncut diamond, of one carat, to be worth £2, that of one cut and polished would be valued at £8 sterling in the brilliant. At this rate, a cut diamond of two carats would be $2 \times 8 \times 2 = £32$; one of three, $3 \times 8 \times 3 = £72$; one of four, $4 \times 8 \times 4 = £128$; and one of five carats, $5 \times 8 \times 5 = £200$.

Tavernier, the travelling jeweller, as Gibbon calls him, esteemed diamonds the most precious of all stones, and said: — "It is the trade to which I am most attached. In endeavouring to acquire a perfect knowledge of them, I visited all the mines, and one of the two rivers, where they are found; and as the idea of danger has never impeded me in my travels, the dreadful picture given me of these mines, as being placed in the most barbarous countries, only attainable by the most dangerous roads, was neither capable of frightening nor deterring me from my design."

By the extraordinary indulgence of Aurungzebe, Tavernier was permitted, on the 2d of November, 1665, to handle, examine, and weigh, the greatest treasure of imperial Delhi, the far-famed Koh-i-Nur. The Great Mogul sat on his throne of state, while the chief keeper of the jewels produced his treasures for inspection, on two golden dishes. The magnificence of the collection was indescribable; but conspicuous in lustre, esteem, and value, was the Koh-i-Nur.

Tavernier's system of estimating the value of large diamonds was to square the amount in weight, and multiply the product by the value of the stone weighing one carat. According to this system, he formed the following estimate of the two largest cut diamonds in the world, — the Koh-i-Nur and the diamond in the possession of the Grand Duke of Tuscany. That belonging to the Great Mogul, he says, weighs $279\frac{9}{16}$

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carats, is of a perfect fine water, good shape, and has but one small flaw, which is on the edge of the bottom of the stone. Without this little flaw, the first carat might be valued at 160 livres; but on account of that he put it down at 150 livres (£ 6) only; at which calculation, according to the rule laid down, it amounted to the sum of 11,723,278 livres, 14 sols, and 3 liards (£ 468,931 and a fraction). The diamond belonging to the Grand Duke of Tuscany weighs 129½ carats, is clear, of a fine form, and cut on all sides facet-wise; but as it somewhat approaches to a lemon color, Tavernier estimated the first carat at 135 livres only, according to which calculation it amounts to 2,608,335 livres (£ 104,333 10*s.*).

This scarcely coincides with the estimate given in the Times, which reported £ 2,000,000 sterling as a justifiable price for the "Mountain of Light," if calculated by the scale employed in the trade. In the Encyclopædia Britannica, the "Mountain of Light" is valued at 380,000 guineas. Mr. Jefferies valued it at 624,962 guineas; Tavernier, we have seen, at £ 468,931 sterling. Some authorities would reduce the estimate still more. The French, for example, value the cut diamond at 200 francs (£ 8) the first carat; but they do not extend the rule of arithmetical progression in the value of the diamond to beyond 20 carats. Those which exceed that weight are sold at a lower price than they would fetch, if such a system were carried out. — See the "Manuel du Bijoutier-Orfèvre-Joaillier," par Blondeau.

Colored diamonds of a large size are comparatively few in number. The "Maximilian," or Austrian diamond, is of a yellow color, and rose-cut, and has been an heir-loom in the family ever since the emperor of that name. This is the same diamond which, in Tavernier's time, belonged to the Grand Duke of Tuscany, and was valued by him at £ 104,333; Murray values it at £ 155,682, the Encyclopædia at £ 109,520.

"George the Fourth" diamond is of a rich and splendid blue color, and of great beauty and rarity. It was purchased by his late Majesty from Mr. Eliason for £ 22,000. Its weight is stated to be 29½ carats. It has hitherto formed the chief ornament in the crown on the day of the coronation, but may be now fairly replaced by the unrivalled "Mountain of Light."

It is remarkable, that when the notorious Blood attempted to steal the regalia from the Tower, on the 9th of May, 1671, no gem of any consequence or value was eventually lost. A chronicle of the time says, — "A large pearl, a fair diamond, and a number of smaller stones were bulged from the crown in this robustious struggle, but both the former, and several of the latter, were picked up and recovered. The Ballais ruby, which had been broken off the sceptre, was found in his accomplice's (Parrot) pocket."

Perhaps one of the most beautiful colored diamonds is a rich sky-blue brilliant, belonging to the crown jewels of France. It is stated to weigh $67\frac{2}{16}$ carats, and estimated at three million of francs. There was a fine blue diamond in the possession of the late Mr. Greville. The late Duke of York is also said to have possessed a diamond almost approaching to jet black, of peculiar beauty and brilliancy, and valued at £ 8,000.

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So rare are large diamonds, that it has been stated that the number of diamonds of the weight of thirty-six carats and above, known, does not really amount to more than nineteen; and the entire number of diamonds of a large size in Europe scarcely amounted, before the arrival of the "Mountain of Light," to more than half a dozen.

The largest uncut diamond is that belonging to the house of Braganza, which is said to weigh 1,680 carats, or about 11 oz. When the Prince Regent of Portugal, afterwards Don John the Sixth, arrived at the Brazils in 1808, a negro, from Minas Gerais, contrived to send him a letter, desiring to present in person a large diamond he had found. The prince ordered the captain-general to allow the negro to proceed to court with an escort of soldiers. In a few months the negro arrived, and presented the diamond, remarking, at the same time, that it was the largest ever found in the Brazils. The regent granted him his freedom, and a pension for life for himself and family. It may be remarked here, that the discovery of every diamond of an *octave*, and which weighs 17½ carats, entitles the negro to his freedom. It were to be wished that many such were found.

The Rajah of Mattan, in Borneo, is said to possess a diamond shaped like an egg, with an indented hollow near the smaller end, said to be of the finest water, and to weigh 367 carats. Many years ago, the governor of Batavia tried to effect its purchase, and sent Mr. Stewart to the Rajah, offering 150,000 dollars, two large war brigs, with their guns and ammunition, and a considerable quantity of powder and shot. The Rajah, however, it appears, refused to despoil his family of so rich an inheritance, to which the Malays superstitiously attach the miraculous power of curing all kinds of diseases, by means of the water in which the diamond is dipped; and with it they further believe the fortune of the family to be connected.

Russia has several large diamonds, one of which adorns the imperial sceptre. It is said, in the Encyclopædia Britannica, to weigh 779 carats (which exceeds the "Mountain of Light," and is valued at £4,854,728 sterling!); but better authorities, as Murray, make it weigh only 179, and Blondeau, 193 carats. The history of this diamond is involved in much confusion and obscurity. It is said by some to have formed, for a long time, the *solitary* eye of an Indian idol, and to have been ultimately dislodged from the socket by an Irish soldier, by whom it was sold for a trifle; and, after passing through the hands of several masters, it was sent to England to be cut, and finally sold to the Empress Catherine of Russia, in 1775, at Amsterdam, for the sum of £90,000, an annuity of £4,000, and a patent of nobility.

Some French authors, as Dutens and Bomare, give a different version of this story. They say that the diamond was *one* of *two* eyes of a Malabarian idol, named Sheringham; and that a French grenadier, who had deserted from the Indian service, contrived so well as to become one of the priests of that idol, from which he had the opportunity to steal its eye. He then ran away to the English at Trichinapeuty, and thence to Madras. A ship captain bought it for twenty thousand rupees; afterwards a Jew gave seventeen or eighteen thousand pounds sterling for it;

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at last, a Greek merchant, named Gregory Saffras, offered it for sale at Amsterdam, in 1766, and Prince Orloff made the acquisition for his sovereign, the empress. The absurdity of the first part of this story is manifest on the face of it; for it is not likely that a French grenadier could have successfully personated the character of a Brahminical priest.*

The diamond sold at Amsterdam is described by Murray as being of the size of a pigeon's egg, and of a flattened oval form, — a faultless and perfect gem, — its weight, 179 carats. This diamond is also referred to in a letter from the Hague, dated 2d January, 1776, quoted by Boyle in the "Museum Britannicum": — "We learn from Amsterdam that Prince Orloff made but one day's stay in that city, where he bought a very large brilliant for the empress, his sovereign, for which he paid to a *Persian* merchant there the sum of 1,400,000 Dutch florins."

The Pitt or Regent Diamond was purchased by Thomas Pitt, Esq., grandfather of the Right Hon. William Pitt, when governor of Fort St. George, Madras, who obtained it for £ 12,500; the sum of £ 20,000 having been first asked for it. It was purchased by the Regent Duke of Orleans, during the minority of Louis the Fifteenth, in the year 1717, for £ 135,000. Its weight is 131 carats (Blondeau says 136¾); its value, as estimated by a commission of jewellers in 1791, is twelve millions of francs. It is the prime ornament of the crown jewels of France. The kings wore it in their hats; Napoleon Bonaparte had it fixed in the pommel of his sword. Charles the Tenth would willingly have laid claim to it, and brought it to this country, but this was not permitted. The possession of this diamond subjected the purchaser, Governor Pitt, to many calumnies, and to imputations of having unfairly obtained possession of the prize. One account was, that a slave, having found it in its native bed, concealed the diamond in a wound made in his leg for that purpose. Mr. Pitt explained how he became possessed of the diamond, in a letter published in the Daily Post, dated 3d November, 1743. It appears from this, that he bought it of a native merchant, called Jamchund, for 48,000 pagodas. It was consigned by Mr. Pitt to Sir Stephen Evance, of London, knight; and from an original bill of lading, it appears that it was sent in the ship Bedford, Captain John Hudson, commander, 8th March, 1701-2, and charged to the captain at 6,500 pagodas only. The editor of the "Museum Britannicum" states that the cutting and polishing of the stone cost £ 5,000; and Jefferies states that it was sold for £ 135,000, but £ 5,000 of this sum was given and spent in negotiating the sale of it. The diamond is admitted to approach very nearly to one of the first water. Jefferies says that it has only a foul small speck in it, and that lying in such a manner as not to be discerned when the stone is set. There is a model of the Pitt or Regent Diamond in the British Museum.

The Sancy or Sanci Diamond, also one of the French crown jewels,

* In the *Journal des Savans* for July, 1774, is inserted an extract from the letter of a French missionary, to the following effect: — "That one of the principal diamonds of the crown of France, and which was purchased of an Englishman, was one of the eyes of the god Juggernaut, placed in a pagoda at Chandernagar, in Bengal." This is another version of the history of the Russian diamond.

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weighs, according to some, fifty-five carats, but according to M. Caire, only $33\frac{2}{16}$ carats. According to Blondeau, it was so called from having been brought from Constantinople by a Baron Sancy; but its history is as obscure as that of other great diamonds. It is said to be the same which we before noticed as belonging originally to Charles the Bold, the last Duke of Burgundy, who wore it in his cap at the battle of Nancy, and was found by a Swiss soldier among the spoils of battle, after the defeat of his army, in 1475, near Morat, in Switzerland, and in which he himself was killed. The Swiss sold it to a priest for a florin, or about 20*d.*, and the latter again disposed of it for 2*s.* 6*d.* In the year 1589 it was in the possession of Antonio, king of Portugal, and by him was first pledged to M. de Sanci for 40,000 livres, and subsequently sold for 100,000 livres (£24,000).

The family of this gentleman preserved the diamond for nearly a century, and till the period when Henry the Third of France, after having lost his throne, employed a descendant of this family, who was commander of the Swiss troops in his service, to proceed to Switzerland, for the purpose of recruiting his forces in that country; and having no pecuniary resources at command, he persuaded the same loyal officer to borrow of his family the Sanci diamond, in order to deposit it with the Swiss government, as security for the payment of the troops. Accordingly, the diamond was despatched for this purpose by a confidential domestic, who disappeared, and could nowhere be heard of for a great length of time. At last, however, it was ascertained that he had been stopped by robbers and assassinated, and his body buried in a forest; and such confidence had his master in the prudence and probity of his servant, that he searched, and at last discovered the place of his burial, and had the corpse disinterred, when the diamond was found in his stomach, he having swallowed it when attacked by the robbers. The Baron de Sanci subsequently disposed of this diamond to James the Second of England, then residing at St. Germains, from whom it passed to Louis the Fourteenth.*

The Piggott Diamond was brought to England by Earl Piggott, when Governor-General of India. It was disposed of by lottery, in 1801, for £30,000. Its weight is 47½ carats. The Nassac Diamond, now in the East India House, was taken from the Peshwa of the Mahrattas. Its weight is stated to be $89\frac{3}{4}$ carats. Holland has a diamond of 36 carats weight, said to be of a conical shape, and valued at £10,368. The Brazilian treasury is extremely rich in diamonds, of great magnitude and beauty, such as the Portugal Round Brilliant, the Slave Diamond, and others. In the walking-stick of King John the Sixth, which is a Brazilian cane, and the handle of which is of wrought gold, there is a beautiful brilliant surmounting its summit, and cut in the form of a pyramid, valued at about £300,000. The buttons on the silken stole of King Joseph the First of Portugal were twenty in all, each a brilliant. The aggregate value of these amounted to £100,000.

* This history is related by Murray. We have before seen that the diamond of Charles the Bold was the first that was polished; and an account, which coincides in some of the details, but differs in others, is related of it by Gognet, in his "Origine des Arts," t. iii. p. 221; and by Brard, "Minéralogie appliquée aux Arts," t. iii. p. 191.

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As the statement made by the writer in the "Encyclopædia Britannica," as to the weight of the Russian Diamond, appears to be either an error or a misprint, so, with the exception, then, of the Borneo and the Portugal diamonds, the "Mountain of Light" is the largest known diamond. But a certain obscurity hangs over both the last-mentioned gems. It is not stated if the Borneo jewel is not an uncut diamond. The "Mountain of Light" weighed, before it was cut, according to the celebrated crystallographer, Romé de l'Isle, 793⅜ carats, and according to Tavernier, 900 carats. The Portuguese Diamond is known to be uncut; and while, according to Romé de l'Isle, it weighs 1680 carats, according to Blondeau, it only weighs 120 carats, and Mr. Mawe, 95¾. It is in the form of a natural octohedron, and, worse than all, Mr. Mawe, a good authority, believed it to be a white topaz. The "Mountain of Light" is, in reality, then, entitled to be considered as the largest authenticated diamond known.

The *Times* has anticipated us, by recording the history of this invaluable gem in one of its masterly leading articles. A few of the prominent features of this eventful history, by which this precious stone is made to symbolize the revolutions of ten generations, may, however, be briefly alluded to. This marvellous stone was discovered in the mines of Golconda, in the year 1550. The kingdom of that name constituted at that time one of the five Mahometan states which had been formed in the Deccan towards the close of the fifteenth century. When the Mogul princes extended their pretensions to the sovereignty of the Deccan, Kootub Shah, then king of Golconda, was brought into collision with Shah Jehaun, the reigning emperor. The result was, that the "Mountain of Light" passed from Golconda to Delhi, where it was seen in the time of the great Aurungzebe by Tavernier. Sometimes worn on the person of the Moguls, sometimes adorning the famous peacock throne, this inestimable gem was safely preserved at Delhi, until, in 1739, the empire received its fatal blow from the invasion of Nadir Shah. Among the spoils of conquest which the Persian warrior carried back with him in triumph to Khorassan, and which have been variously estimated as worth from £30,000,000 to £90,000,000 sterling, the Koh-i-Nur was the most precious trophy, but it was destined to pass from Persia as quickly as that ephemeral supremacy in virtue of which it had been acquired. Nadir Shah had entertained in his service a body of Affghans, of the Abdallee tribe, under the leadership of Ahmed Shah, who also served his master in the capacity of treasurer; and when the Persian conqueror was assassinated by his subjects, the Affghans, after vainly endeavouring to rescue or avenge him, fought their way to their own frontiers, though only 4,000 strong, through the hosts of the Persian army. In conducting this intrepid retreat, Ahmed Shah carried off with him the treasures in his possession, and was probably aided by these means, as well as by his own valor, in consolidating the new state which, under the now familiar title of the Dooranee Empire, he speedily created in Cabul. It seemed as if the Koh-i-Nur carried with it the sovereignty of Hindostan, for the conquests of Ahmed were as decisive as those of Nadir, and it was by his nomination and patronage that the last emperor ascended the throne of the Moguls.

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At the beginning of the present century, the treasures and power of Ahmed were vested in the person of Zemaun Shah, subject to the incessant assaults of his kinsmen. One of these at length proved successful; and in the year 1800, Zemaun Shah found himself a prisoner, at the disposal of his brother, Shah Shuja, the identical puppet, forty years later, of our disastrous Cabul expedition; so that we are now brought down to modern times and characters. Shah Shuja presently ascended the throne of his brother; but the treasury of Cabul was wanting in its most precious ornament, till the "Mountain of Light" was discovered, ingeniously secreted in the wall of Zemaun Shah's prison.

It was eight years after this, while the Doorannee monarchy was still formidable enough to inspire the powers of the East with uneasiness, that Mr. Elphinstone, accredited by Lord Minto to the Affghan prince, betook himself to what was then the remote and unknown town of Peshawur, where, at his state reception, the Koh-i-Nur again flashed, after an interval of so many years, upon the dazzled eyes of a European. Shah Shuja, aferwards the client and pensioner of the East India Company, was dressed on this occasion in a green velvet tunic, fitting closely to his body, and seamed with gold and precious stones. On his breast was a cuirass of diamonds, shaped like two flattened *fleurs-de-lis*, and in a bracelet on his right arm blazed the priceless jewel of Golconda. The prince gave a gracious audience to the ambassador, and Mr. Elphinstone retired; but the Koh-i-Nur was not fated long to continue in the divided and tottering family of the once powerful Abdallees.

The embassy had scarcely recrossed the Indus when Shah Shuja was expelled from Cabul, though he contrived to make this far-famed diamond the companion of his flight. After many vicissitudes of exile and contest, he at length found an equivocal refuge under the protection of that powerful chieftain who had now consolidated the dominions of the Sikhs into a royal inheritance for his own family. Runjeet Singh was fully competent either to the defence or the restoration of the fugitive, but he knew or suspected the treasure in his possession, and his mind was bent upon acquiring it. He put the Shah under strict surveillance, and made a formal demand for the jewel. The Doorannee prince hesitated, prevaricated, temporized, and employed all the artifices of Oriental diplomacy, but in vain. Runjeet redoubled the stringency of his measures, and at length, the 1st of June, 1813, was fixed as the day when the great diamond of the Moguls should be surrendered by the Abdallee chief to the ascendant dynasty of the Singhs. The two princes met in a room appointed for the purpose, and took their seats on the ground. A solemn silence then ensued, which continued unbroken for an hour. At length Runjeet's impatience overcame the suggestions of Asiatic decorum, and he whispered to an attendant to quicken the memory of the Shah. The exiled prince spoke not a word in reply, but gave a signal with his eyes to a eunuch in attendance, who, retiring for a moment, returned with a small roll, which he set down upon the carpet midway between the two chiefs. Again a pause followed, when at a sign from Runjeet the roll was unfolded, and there, in its matchless and unspeakable brilliancy, glittered the Koh-i-Nur.

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In this way did the "Mountain of Light," pass in the train of conquest, and as the emblem of dominion, from Golconda to Delhi; from Delhi to Mushed; from Mushed to Cabul; from Cabul to Lahore; from whence it has now come, in the third centenary of its discovery, "as the forfeit of Oriental faithlessness, and the price of Saxon valor," to the distant shores of England.

The arrival of a gem so precious and so rare, whose history is so full of strange vicissitudes, and with such not uninteresting superstitions attached to it, is an event of no small importance, and has fairly merited on our part these few pages devoted to the consideration of a very curious subject, and necessary to be developed to understand the true position of the "Mountain of Light" as a mineralogical curiosity, and as a gem of value, among the few others which are in existence. The Oriental tradition of the "Mountain of Light" being an emblem of power and dominion, can be easily understood in its full force, when we consider that it could only be under the most serious disasters, or when the imperial treasury was in a state of great difficulty, — in fact, when an empire was on the brink of ruin, — that so precious a stone would be parted with. Hence it may with justice be considered to be an emblem of prosperity and dominion; and as the brightest jewel in Queen Victoria's crown, there can be little doubt of its remaining, what it has ever been, a brilliant token of power and ascendency.

Bankrupt. — The term "Banqueroute" is applied in the French code to insolvency which is clearly traceable to imprudence or extravagance, and the bankrupt is liable to prosecution. The Code de Commerce declares that any trader against whom the following circumstances are proved is guilty of simple bankruptcy: — If his personal or household expenses have been excessive; if large sums have been lost in gambling, stock-jobbing, or mercantile speculations; if, in order to avoid bankruptcy, goods have been purchased with a view of selling them below the market price; or if money has been borrowed at excessive interest; or if, after being insolvent, some of the creditors have been favored at the expense of the rest. In the following cases, also, the trader is declared a simple bankrupt: — 1. If he has contracted, without value received, greater obligations on account of another person than his means or prospects rendered prudent. 2. A bankruptcy for a second time, without having satisfied the obligations of a preceding concordat. 3. If the trader has failed to make a voluntary declaration of insolvency within three days of the cessation of his payments, or if the declaration of insolvency contained fraudulent statements. 4. If he failed to appear at the meeting of the syndics. 5. If he has kept bad books, although without fraudulent intent.

It is fraudulent bankruptcy when an insolvent has secreted his books, concealed his property, made over or misrepresented the amount of his capital, or made himself debtor for sums which he did not owe. A fraudulent bankrupt who flees to England may be surrendered under the Convention Treaty.

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THE NEW YORK BRANCH MINT.

From the New York Journal of Commerce, 25th September, 1850.

THE very able and conclusive Report of Mr. Phœnix, from the Committee on Commerce, to the United States House of Representatives, will be found in to-day's paper. The establishment of a branch mint in this city was recommended by President Polk, and the importance of it fully demonstrated by the late distinguished Secretary of the Treasury, Mr. Walker, long before the enormous receipts of California gold here, and the expense, risk, inconvenience, and delay incident to its transmission for coinage to Philadelphia, had produced a very general demand for those facilities which would obviate a grievance so widely felt and so constantly recurring. In his Annual Report, dated December, 1848, at which time only $44,000 in California gold had been received at the mint, Mr. Walker declared that, for want of such facilities, New York was retarded in its advance towards "its ultimate position, so important to the whole country, as the emporium of universal commerce, the centre of international exchanges, and the storehouse of the products of the world"; that she could not command her due proportion of coin and bullion, without the power of coinage and recoinage, and hence would enter with unequal advantages upon the competition with foreign cities for the control of international commerce, — an object whose achievement would redound not less to the general prosperity of the whole country, than to the elevation to a condition of unparalleled grandeur and magnificence of its great commercial metropolis.

It is no argument in favor of the retention of the present system, even if it were true, that the risk, expense, and delay incurred thereby are trifling. That these evils exist, in whatever degree, is a sufficient reason for their removal; and you might with as much propriety, says the Secretary, require the merchants of New York to send light and costly articles to distant cities to be stamped, marked, or labelled, before such articles can be sold or distributed, as to send their gold to Philadelphia to be coined.

Mr. Phœnix adduces numerous facts in illustration of the positions assumed by Mr. Walker. To prove that the risk of sending to Philadelphia is not merely nominal, he states that one of our banks lost $ 15,000 while *in transitu* between that city and New York. The expense and delay are evils of daily experience. The cost of transmission merely, to one mercantile house, on so large an amount as $ 1,381,875, during the year ending 31st July last, was one quarter of one per cent.; and of that amount, the large item of $ 111,338, deposited at the mint on the 11th February, was detained till the 5th of April, — fifty-two days, — making the expense on this one consignment amount to $ 1,410, or 1¼ per cent.

The Report contains ample statistics, brought down nearly to the present time, showing the excessive disproportion between New York and Philadelphia in the transactions that require the facilities afforded by a

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mint, — not with a view of disparaging Philadelphia, but to demonstrate the advantages which must accrue to commerce and the treasury, by the location of the mint where three fourths of our foreign commerce centres. The considerations adduced in this document clearly prove, that a branch mint in the city of New York would not only facilitate the coinage, but would largely increase the amount of coin and bullion that would be deposited with it for that purpose.

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
September 14, 1850.

Report of the Committee on Commerce.

Mr. Phœnix, from the Committee on Commerce, made the following Report : —

The Committee on Commerce, to whom were referred several petitions to establish a branch of the mint of the United States in the city of New York, together with a resolution of the House of Representatives " to inquire into the expediency of so modifying the existing laws establishing a mint of the United States as to provide for the prompt coinage of bullion and gold-dust now accumulating in the United States, or seeking the mints of Europe for coinage, and that they have leave to report by bill or otherwise," respectfuly report : —

The Constitution of the United States provides that " Congress shall have power to coin money, and regulate the value thereof, and of foreign coins."

In conformity with this provision of the Constitution, Congress, by an act approved the 2d of April, 1792, established a mint at the then seat of government of the United States, to remain in the city of Philadelphia until the 4th of March, 1801, — subsequently, till the 4th of March, 1803, — and then continued in force for five successive periods, until the 4th of March, 1828. It was then enacted that the mint should remain in Philadelphia " until otherwise provided by law," — evidently contemplating that the time would arrive when some other and more appropriate location would become indispensably necessary. By an act approved the 9th of February, 1793, it was enacted " that all foreign gold and silver coin (except Spanish milled dollars and parts of dollars) which shall be received in payment for moneys due the United States, after said time, when the coinage of gold and silver should begin at the mint of the United States, shall, previously to their being issued into circulation, be coined anew," in conformity to law, — thus showing conclusively, that it was the intention of the government to establish a coinage at the most desirable location, that would furnish a national circulating currency on the broadest basis, regardless of the cost that it might impose upon the country.

It will also appear, that, on the establishment of the mint, Congress held its sittings in the city of Philadelphia; and, the several seaports not

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having then developed their respective commercial advantages, it was deemed prudent to locate the mint at the then seat of government. Since that period, the city of New York, from its admirable position and great commercial advantages, has attracted to her port nearly three fourths of the commerce of the United States; and experience has fully demonstrated the great inconvenience and folly of imposing upon our citizens the expense of sustaining a mint nearly a hundred miles distant from the port through which a very large portion of the precious metals intended to be coined are first introduced into the country.

The report from the director of the mint at Philadelphia, dated the 18th day of January, 1850, exhibits the operation of the mint and its branches, and the expense of the coinage of these institutions, from the date of their establishment to the 31st December, 1849.

It appears that the total amount of coinage of all descriptions at Philadelphia during a period of fifty-seven years, from 1793 to 1849, inclusive, amounted to $ 128,813,558, making an average of $ 2,250,887 per annum; and the value of the gold coined and recoined at the mint in Philadelphia during the same time was $ 63,470,612, showing an annual gold coinage of only $ 1,113,520. This period embraces the large amount of specie introduced into the country, in consequence of the famine in Europe and other causes, in 1847, amounting to $ 24,153,000, as well as the French indemnity of five millions, most of which was probably sent to the mint at Philadelphia to be recoined.

It has been estimated that the expense to the government for coinage at Philadelphia is about $2\frac{23}{100}$ per cent.; at New Orleans, $6\frac{68}{100}$ per cent.; in North Carolina, 9 per cent.; and in Georgia, $9\frac{97}{100}$ per cent.

The inconvenience and expense attending a coinage so distant from the port into which foreign coin and bullion are imported, have not only long since attracted the notice of the mercantile community, but of the government. President Polk repeatedly directed the attention of Congress to the subject; and the late distinguished Secretary of the Treasury, Mr. Walker, deemed it of so much importance, that he embraced every proper occasion to present the subject to the consideration of the country.

Mr. Walker, in his communication to Congress dated December, 1848, thus speaks of its great importance to the financial operations of the Treasury, as well as the advantages that could not fail to accrue to our commerce by the establishment of a mint in the city of New York: —

"I renew the recommendations contained in all my annual reports for the establishment of a branch of the mint of the United States at the city of New York. That city, our great commercial metropolis, is advancing to its ultimate position, so important to the whole country, as the emporium of universal commerce, the centre of international exchanges, and the storehouse of the products of the world. To attain this result, we must secure for our great emporium, in competition with foreign cities, the command of her due proportion of coin and bullion. Now, it is clear that where bullion cannot be coined, and no recoinage can take place, this cannot be accomplished. America is the great continent of the precious metals; they are now found in extraordinary quantities in

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our own Union, and to a vast extent in countries adjacent; yet nearly all this coin and bullion are diverted to other countries, and especially to Great Britain, being one of the chief instruments in aiding that country in maintaining her command of the business of the world. By steamships, and by exports of her own products and fabrics, she accumulates coin and bullion in London, and provides for their coinage and recoinage in the least time, and without expense; and yet, in our own commercial emporium, we have no mint, or even a branch mint, for the important process of coinage or recoinage. If we would command the commerce of all nations, it must be through some one American commercial emporium, the great centre of our own trade and business. The history of trade demonstrates that some such great point is indispensable to enable any nation to command universal commerce; and that such concentration at some one city, instead of injuring other cities or parts of the same country, is of immense benefit to all. There cannot be two or more financial centres of the foreign commerce of any one nation, any more than there can be two or more centres of a circle. The same principle of the centre of the trade of a nation applies to the trade of the world. There can be but one such centre for the world, and but one for each nation, which, in this country, from natural causes, must be at New York, where the competition must soon commence with foreign cities for the control of international commerce. Now, as the command of the specie of the world is of immense benefit to our whole country, and can only be secured by making one of our own cities the centre of universal commerce, it is indispensable to success in this great American enterprise that specie and bullion should be invited from all the world to New York, — not by any unjust advantages, but by giving to it equal facilities with our other cities for coinage and recoinage.

"It is not for New York merely, or for its commerce, that this mint is desired, but for the benefit of the whole Union. The storehouse of the goods and products of the Union must become the storehouse of its specie. Where the commerce and goods are, there the representatives of their value must be also, and there also should be every facility which a mint would give for increasing these circulating values, and for bringing them into immediate and active use in any form which might be desired. It is in vain to say that the specie or bullion brought by our commerce to New York can be sent to a distant point, where there is a mint, with but little delay, risk, or expense. It is clear there must be some risk, delay, and expense, operating as a tax on the business of our commercial emporium, and to that extent rendering unequal the contest with European cities for universal commerce. Coinage and recoinage should be immediate, without any risk, expense, or delay; and it might be said as regards merchandise, with nearly the same truth as is urged in relation to specie, that it would be no injury to the commerce of the Union if light and costly articles should be sent, at but trifling expense, risk, or delay, from New York to some distant city, there be stamped, marked, or labelled, and then returned to New York for sale and distribution in the general markets of our own country or of the world.

"It seems to be forgotten by those who present such arguments, that

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in a great commercial capital, where business to the amount of millions of dollars is transacted from ten to three o'clock, how important time is, where the delay of a day, nay, often of an hour, may be most disastrous, and change the balance of profit to loss. Merchants and men of business should be permitted to change their bullion or foreign coin for American in a few hours or moments, as could be done at a mint, or receive at once mint certificates of deposit, which often might be to them of the greatest importance. The trade in bullion and specie, in itself one great branch of commerce, indispensable in the transaction of business, and especially of international exchange, already exists to a great extent in New York, but is limited in diffusing its benefits to American commerce and exchanges by the want of a mint. Now it is subject to expense, risk, and delay, to put it in a form for circulating values, that delay being itself a great loss of capital, whilst the foreign coin, consisting of denominations unknown to the great body of our people, is almost useless for the purpose of general circulation. It is the rapidity of the circulation of coin that gives its chief value, and accumulates capital by the speedy realization of profits; and the American eagle or half-eagle, and other decimal coinage, might, in a few months, perform more of the functions of money, and pass more rapidly through a greater variety of hands, than if it were in some foreign and unknown coin, which would not circulate among the people. Hence it is that a mint at New York, to give activity to our specie circulating capital, by converting it at once into American coin, would be of vast importance to the whole Union.

. . . . . .

"But, whilst the department will have coined, from the 1st March, 1845, to 1st March, 1849, more than $ 40,000,000, the amount would have been augmented to the extent of several millions of dollars every year, if there had been a branch of the mint at the city of New York. This is proved by the fact, that most of the foreign coin sent from New York and other points to Philadelphia for coinage has been that portion which was received for government dues, and transferred mainly, not by the people or the merchants, but by order of this department, from the several government depositories; and but little coin, comparatively, has gone from New York, transmitted voluntarily by individuals, for recoinage, to Philadelphia. Individuals will not, to any great extent, subject themselves to the risk, expense, and delay of this process; whereas the whole of the coin and bullion, amounting to many millions of dollars, that comes to New York, by the operations of commerce or by emigration, — now a very large sum, — would all be changed into American coin, if there were a mint in that city."

It is clearly evident by this statement of the Secretary of the Treasury, that individuals will not transfer their foreign coin for recoinage at the inconvenience, risk, expense, and delay, and consequent loss of interest, to which it is subjected; and were it not for the coin from the treasury and bullion of individuals required to be coined, the coinage at the mint would have been reduced to comparatively a small amount. That the risk of sending coin and bullion from New York to Philadelphia is not exaggerated, is sustained by the fact that one of the banks in New York lost fifteen thousand dollars while *in transitu* between those cities.

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A well-known mercantile house in the city of New York, whose receipts of California gold, during the year ending 31st July last, amounted to $ 1,381,875, pays for its transmission to the mint one quarter per cent. on all the bullion received by them; and $ 111,338.22 in bullion deposited the 11th February last, was not coined and ready to be returned to them until the 5th of April following, — causing a delay of fifty-two days, or nearly equal to one per cent.; thus making the expense of sending the California gold to the mint at Philadelphia nearly or quite one and a quarter per cent. The loss on this one consignment was estimated at $ 1,410.02, which would have been obviated had there been a branch mint in the city of New York.

Previous to the report of the late Secretary of the Treasury, in December, 1848, the mint had been mostly supplied with foreign coin for recoinage to a great extent by the government itself, — whose receipts of foreign coin were required to be recoined, in conformity with the act establishing the mint, — inasmuch as but $ 44,000 in California gold had been received at the mint previous to that report. As the supply of bullion and coin for the mint must necessarily depend upon our foreign commerce and its resources, it may not be deemed improper to look into the comparative advantages of New York and Philadelphia, as connected with this subject.

The amount of California gold received at the mint from December, 1848, to the 20th June, 1850, amounted to $15,750,000, of which it has been estimated that $ 15,000,000 were entered at the port of New York. The gold bullion received at the mint from California, *via* Chagres, entered at the custom-house in New York, for *nine* months ending the 31st March, 1850, was $ 4,905,900; entered at the custom-house in Philadelphia, for the same period, $1,750. These entries do not include the bullion brought by passengers, which is estimated to average three eighths of the amount of that which is consigned and regularly entered at the custom-house.

The foreign coin brought into the country by immigrants should be made available for the supply of coin for the mint, inasmuch as 213,736 passengers arrived at the port of New York during the year ending 30th September, 1849; and it is estimated that the money brought by each passenger averaged about $ 50, making a total of $ 10,686,800. During the same period, there arrived at Philadelphia 15,511 passengers, equal to $ 775,550, — leaving an excess of foreign gold brought into the country at the port of New York of nearly $ 10,000,000 by immigration only. Now, if it is desirable to recoin this immense amount of foreign coin, greater facilities must be presented to the immigrant to do so. Having no interest in the result, it cannot be expected that he will subject himself to any loss or delay to carry out the views of the government to establish a national currency. Consequently, this foreign gold is exchanged with the brokers, who reship it, to be drawn upon when the rate of exchange will profitably enable them to do so: otherwise, it is carried into the country, and forms a large portion of our circulation in foreign gold, while the government has been making the greatest efforts to establish a currency exclusively national.

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The value of gold coined at the mint in Philadelphia for the year 1849 was	$7,948,322.00
The value of gold coined at the New Orleans branch, established in 1838,	454,000.00
The value of gold coined at the Charlotte branch, established in 1838,	361,299.00
The value of gold coined at the Dahlonega branch, established in 1838,	244,130.50
Total coinage for the year 1849,	$9,007,751.50

Nearly a million and a half less than the amount of foreign coin estimated to have been brought into the port of New York by passengers only.

For statistical tables accompanying this report, our readers are referred to p. 421.

ESSAY ON MONEY, COINS, AND BULLION.

BY J. R. McCULLOCH, Esq.

Continued from page 340.

CHAPTER VI.

WHETHER GOLD OR SILVER SHOULD BE ADOPTED AS THE STANDARD OF THE CURRENCY, OR WHETHER IT SHOULD CONSIST OF BOTH.

Impossibility of arbitrarily fixing the relative Value of Gold and Silver. — Over-valuation of Gold at the Mint the Cause of its being used in all considerable Payments in this Country.

As the value of gold and silver, or the cost of their production, is perpetually varying, not only relatively to other commodities, but also relatively to each other, it is impossible arbitrarily to fix their comparative value. Gold may now, or at any given period, be to silver as 14 or 15 is to 1; but were sovereigns and shillings coined in that proportion, the discovery of a gold or silver mine of more than the ordinary degree of productiveness, or the discovery of any abridged process, by which labor might be saved in the production of one of the metals, would derange this proportion. As soon, however, as the mint proportion between the different metals ceases to be the same with that which they bear to each other in the market, then it becomes the obvious interest of every debtor to pay his debts in the metal whose mint valuation is highest.

In 1718, in pursuance of the advice of Sir Isaac Newton, the value of the guinea was reduced from twenty-one shillings and sixpence to twenty-one shillings; the value of fine gold to fine silver was consequently rated, in our mint, at $15\frac{2\,8\,5}{1\,3\,6\,4}$ to 1, and both metals were declared to be legal tender in that proportion. But, notwithstanding this reduction, the guinea was still rated at a higher value, compared with silver, than it ought to have been. This higher value was estimated, by Lord Liverpool, to have been, at the time, equal to fourpence on the guinea, or to $1\frac{1}{3}\frac{9}{1}$ per cent.;

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and as the value of silver compared with gold, continued to increase during the greater part of last century, it afterwards became considerably greater. The over-valuation of gold, by making it for the interest of every one to pay his debts in it rather than in silver, made gold be used in all considerable payments, and was the cause that, during the long period from 1718 down to the late recoinage, no silver coins of the legal weight and fineness would remain in circulation. The silver currency consisted entirely of light, worn coins; and when, in 1797, the further coinage of silver was forbidden, the silver currency was very much debased. But, as it existed only in a *limited quantity*, it did not, according to the principle already explained, sink in its current value. Though debased, it was still the interest of debtors to pay in gold. If, indeed, the quantity of debased silver had been very great, or if the mint had issued such debased pieces, it might have been the interest of debtors to pay in such debased money. But its quantity being limited, it sustained its value; and gold was practically the real standard of the currency.

The act of 1774, declaring that silver should not be legal tender for any debt exceeding £25, *unless by weight according to the mint standard*, had not, as has been supposed, any effect in causing the general employment of gold as money, in preference to silver. For, to use the words of Mr. Ricardo, "this law did not prevent any debtor from paying any debt, however large its amount, in silver currency fresh from the mint. That the debtor did not pay in this metal was not a matter of chance, nor a matter of compulsion, but wholly the effect of choice. It did not suit him to take silver to the mint, but it did suit him to take gold thither. It is probable that if the quantity of this debased silver in circulation had been enormously great, and also a legal tender, that a guinea would have been, as in the reign of William III., worth thirty shillings; but it would have been the debased shilling that had fallen in value, and not the guinea that had risen." (*Principles of Political Economy*, p. 520.)

Contrary Effect produced by the Overvaluation of Silver in the French Mint.

In France a different valuation of the precious metals had a different effect. The louis d'or, which, previously to the recoinage of 1785, was rated in the mint valuation at 24 livres, was really worth 25 livres, 10 sols. Those, therefore, who chose to discharge the obligations they had contracted, by payments of gold rather than of silver, plainly lost 1 livre, 10 sols on every sum of 24 livres. In consequence very few such payments were made, gold was nearly banished from circulation, and the currency of France became almost exclusively silver. (Say, tom. i. p. 393.) In 1785, a sixteenth part was deducted from the weight of the louis d'or, and since that period the value of the precious metals, as fixed in the French mint, has more nearly corresponded with the proportion which they bear to each other in the market. Indeed, it was stated, in evidence before the Committee of the House of Commons in 1819 (*Report*, p. 192), that the difference between the mint and market proportions of gold and silver at Paris in 1817 and 1818, had not exceeded from one tenth to one fourth per cent. There is, however, no reason to

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presume that this coincidence, which must have been in a great degree accidental, can be maintained under any arbitrary system. To insure the indifferent use of gold and silver coins in countries where they are both legal tender, their mint values would require to be every now and then adjusted, so as to correspond with their real values. But as this would obviously be productive of much trouble and inconvenience, the preferable plan undoubtedly is to make only one metal legal tender, and to allow the worth of the other to be adjusted by the competition of the sellers and buyers.

The absurdity of employing two metals as legal tender, or as a standard of value, was unanswerably demonstrated by Mr. Locke and Mr. Harris, and has been noticed by every subsequent writer; but so slow is the progress of improvement, that it was not till the year 1816 that it was enacted that gold only should be legal tender for all sums exceeding 40*s*.

Silver preferable to Gold as a Standard. — A Gold and Silver Currency equally valuable.

Whether, however, gold should have been adopted as the standard of exchangeable value, in preference to silver, is a question not of so easy solution, and on which there is a great diversity of opinion. Mr. Locke, Mr. Harris, and Mr. Ricardo, are of opinion that silver is better fitted than gold for a standard; whilst Dr. Smith, although he has not explicitly expressed himself, appears to think that gold ought to be adopted in preference. This opinion has been very ably supported by Lord Liverpool, in his valuable work *On the Coins of the Realm;* and his reasonings having received the approbation of Parliament, and gold having been made legal tender, all attempts to alter this arrangement ought to be opposed.

Whether gold or silver be adopted as the standard of the currency, does not affect its total cost or value; for, the quantity of metal employed as money, or the quantity of metal for which paper is the substitute, is always inversely as the value or cost of such metal. When gold is the standard, fourteen or fifteen times less of it than of silver is required; or, which is the same thing, if the denomination of a pound be given to any *specific weight* of gold or silver, fifteen times more of such silver pounds will be required to serve as currency, fifteen to one being about the proportion which gold bears in value to silver. Hence the expense of a gold or silver currency is identical. Gold being too valuable in proportion to its bulk, to be coined into pieces of the value of a shilling or a sixpence, the subsidiary currency necessary in small payments, should be overvalued, and issued only in limited quantities, as is the case with the present silver coinage.

Were a seignorage charged on the gold coins, paper, it is obvious, might be depreciated to the full extent of that seignorage, before it would be the interest of the holders to demand coin for the purpose of exportation, and consequently before the check of specie payments could begin to operate. But, even with such a seignorage, the risk of paper being depreciated, might be obviated, by making it obligatory on the Bank to pay their notes, either in bullion, at the mint price of £3 17*s*. 10½*d*. an ounce, or coin, at the pleasure of the holder. A regulation of this kind could

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not be justly considered as imposing any hardship on the Bank; for it is plain, that no bullion would be demanded from her, except when, by the issue of too much paper, its value had been sunk below the standard.

CHAPTER VII.

STANDARD OF MONEY.— DEGRADATION OF THE STANDARD IN ITALY, FRANCE, GREAT BRITAIN, AND OTHER COUNTRIES. — PERNICIOUS EFFECTS OF THIS DEGRADATION.

Standard of Money. — Purity of English Coins.

By the standard of money is meant the degree of the purity or fineness of the metal of which coins are made, and the quantity or weight of such metal contained in these coins. Twelve ounces of the metal, of which standard English silver coins are made, contains 11 ounces 2dwts. fine, and 18dwts. alloy; and a pound troy of this standard silver, or pound sterling, contains 66 shillings, or $\frac{22}{66}$ parts of $\frac{11}{12}$ of a pound troy of fine silver, that is, 1614 $\frac{36}{66}$ grains. (The carat is a bean, the fruit of an Abyssinian tree, called Kuara. This bean, from the time of its being gathered, varies very little in its weight, and seems to have been, in the earliest ages, a weight for gold in Africa. In India it is used as a weight for diamonds, &c. Bruce's *Travels*, vol. v. p. 66.) From the 43 of Elizabeth down to 1816, when the act 56th George III. cap. 68, imposing a seignorage of about six per cent. on the silver coin, was passed, the pound weight of standard silver bullion was coined into 62 shillings. All the English silver coins have been coined out of silver of 11oz. 2dwts. fine, from the Conquest to this moment, excepting for a period of sixteen years, from 34th Henry VIII. to the 2d Elizabeth.

The purity of gold is not estimated either in Great Britain, or in most other European countries, by the weights commonly in use, but by the Abyssinian weight, called a *carat*. The carats are subdivided into four parts, called grains, and these again into quarters; so that a *carat grain*, with respect to the common divisions of a pound troy, is equivalent to $2\frac{1}{2}$ pennyweights. Gold of the highest degree of fineness, or pure, is said to be 24 carats fine. When gold coins were first made at the English mint, the standard of the gold put in them was of 23 carats $3\frac{1}{2}$ grains fine, and $\frac{1}{2}$ grain of alloy; and so it continued without any variation to the 18th Henry VIII., when a new standard of gold of 22 carats fine, and 2 carats alloy was introduced. The first of these was called the old standard; the second the new standard, or crown gold, because crowns, or pieces of the value of five shillings, were first coined of this new standard. Henry VIII. made his gold coins of both these standards under different denomi-

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nations ; and this practice was continued by his successors until the year 1633. From that period to the present, gold coins have been invariably made of the new standard, or crown gold ; although some of the coins made of the old standard previously to 1633 continued to circulate till 1732, when they were forbidden to be any longer current. (Liverpool, *On Coins*, p. 27.)

Weight of English Coins.

The standard of our present gold coins is, therefore, eleven parts of fine gold, and one part of alloy. The pound Troy of such gold is divided into $46\frac{89}{129}$ sovereigns, each of which ought, consequently, when fresh from the mint, to weigh $\frac{1}{46\frac{89}{129}}$ of twelve ounces, or five dwts. $3\frac{171}{625}$ grains of standard gold, or four dwts. $17\frac{18}{1121}\frac{}{4}$ grains of pure gold.

The alloy in coins is reckoned of no value. It is allowed, in order to save the trouble and expense that would be incurred in refining the metals, so as to bring them to the highest degree of purity ; and because, when its quantity is small, it has a tendency to render the coins harder, and less liable to be worn or rubbed. If the quantity of alloy were considerable, it would lessen the splendor and the ductility of the metals, and would add too much to the weight of the coins.

Having thus ascertained what the standard of money really is, we shall now proceed to examine the effects produced by variations in the standard. This is, both in a practical and historical point of view, a very important inquiry.

Variations of the Standard. — General Remarks.

To make any direct alteration in the terms of the contracts entered into between individuals, would be too barefaced and tyranical an interference with the rights of property to be tolerated. Those, therefore, who endeavour to enrich one part of society, at the expense of another, find it necessary to act with great caution and reserve, and to substitute artifice for open and avowed injustice. Instead of directly altering the stipulations in contracts, they have ingeniously bethought themselves of altering the standard by which these stipulations were adjusted. They have not said, in so many words, that ten or twenty per cent. should be added to or deducted from the mutual debts and obligations of society, but they have, nevertheless, effected this by making a proportional change in the value of the currency. Men, in their bargains do not, as has been already seen, stipulate for signs or measures of value, but for real equivalents. Money is not merely the standard by a comparison with which the value of commodities is ascertained ; but it is also the equivalent, by the delivery of a fixed amount of which the stipulations in most contracts and engagements may be discharged. It is plain, therefore, that no variation can take place in its value, without effecting all these stipulations. Every addition to the value of money makes a corresponding addition to the debts

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of the state, and of every individual; and every diminution of its value makes a corresponding diminution of those debts. Suppose that, owing to an increase in the difficulty of producing gold and silver, or in the quantity of bullion contained in coins of the same denomination, the value of money is raised twenty per cent., it is plain that this will add twenty per cent. to the various sums which one part of society owes to another. Though the nominal rent of the farmer, for example, continue stationary, his real rent is increased. He continues to pay the same number of pounds or livres as formerly; but these have become more valuable, and require to obtain them the sacrifice of a fifth part more corn, labor, or other things, the value of which has remained stationary. On the other hand, had the value of money fallen twenty per cent., the advantage, it is plain, would have been all on the side of the farmer, who would have been entitled to a discharge from his landlord, when he had paid him only four-fifths of the rent really bargained for.

But, notwithstanding it is thus obviously necessary, in order to prevent a pernicious subversion of private fortunes, and the falsifying of all precedent contracts, that the standard of money, when once fixed, should be maintained inviolate, there is nothing that has been so frequently changed. We do not here allude to variations affecting the value of the bullion of which the standard is composed, and against which it is impossible to guard, but to variations in the quantity of bullion contained in the same nominal sum of money. In almost every country, debtors have been enriched at the expense of their creditors. The necessity, or the extravagance of governments, have forced them to borrow; and to relieve themselves of their incumbrances, they have almost universally had recourse to the disgraceful expedient of degrading the coin; that is, of *cheating* those who had lent them money, and of enabling every other debtor in their dominions to do the same.

The ignorance of the public in remote ages greatly facilitated this species of fraud. Had the names of the coins been changed when the quantity of metal contained in them was diminished, there would have been no room for misapprehension. But, though the weight of the coins was undergoing perpetual, and their purity occasional reductions, their ancient denominations were almost uniformly preserved: and those people who saw the same names still remaining after the substance was diminished; who saw coins of a certain weight and finenes circulate under the names of florins, livres, and pounds, and who saw them continue to circulate as such, after both their weight and the degree of their fineness had been lessened, began to think that they derived their value more from the stamp affixed to them, by authority of government, than from the quantity of the precious metals they contained. This was long a very prevalent opinion. But the rise of prices which invariably followed every reduction of the standard, and the derangement which was thereby occasioned in every pecuniary transaction, undeceived the public, and taught them, though it may not yet have taught their rulers, the expediency of preserving the standard of money inviolate.

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Manner of changing the Standard.

Before proceeding to notice the changes made in the currency of this and other countries, it may be proper to observe, that the standard is generally debased in one or other of the undermentioned ways.

First, by simply altering the denominations of the coins, without making any alteration in their weight or purity. Thus, suppose sixpence, or as much silver as there is in a sixpence, were called a shilling, then a shilling would be two shillings, and twenty of these shillings, or ten of our present shillings, would constitute a pound sterling. This would be a reduction of fifty per cent in the standard.

Secondly, the standard may be reduced, by continuing to issue coins of the same weight, but making them baser, or with less pure metal and more alloy.

Thirdly, it may be reduced, by making the coins of the same degree of purity, but of diminished weight, or with less pure metal; or it may be reduced partly by one of these methods, and partly by another.

The first of these methods of degrading the standard was recommended by Mr. Lowndes in 1695, and if injustice is to be done, it is certainly, on the whole, the least mischievous mode by which it can be perpetrated. It saves all the trouble and expense of a recoinage; but as it renders the fraud too obvious, it has been but seldom resorted to. In inquiries of this kind, however, it is rarely necessary to investigate the manner in which the standard has been degraded. And by its reduction or degradation, we uniformly mean, unless when the contrary is distinctly expressed, a diminution of the quantity of pure metal contained in coins of the same denomination without regard to the particular mode in which such diminution may have been effected.

In conformity with what has been observed in the first section of this article, relative to the universality of the ancient practice of weighing the precious metals in every exchange, it is found that the coins of most countries have the same names as the weights commonly used in them. To these weights the coins at first exactly correspond. Thus the *talent* was a weight used in the earliest periods by the Greeks, the *as* or *pondo* by the Romans, the *livre* by the French, and the *pound* by the English, Scotch, &c.; and the coins originally in use in Greece, in Italy, in France, and in England, received the same denominations, and weighed precisely a talent, a pondo, a livre, and a pound. The standard has not, however, been preserved inviolate, either in ancient or in modern times. But the limits within which an article of this kind must be confined, prevents us from tracing the various changes in the money of this and other countries, with the minuteness which the importance of the subject deserves, and obliges us to notice only those which were most prominent.

It is impossible in this place to enter into any discussion relative to the value of Grecian money. It is, however, a subject of no little interest and curiosity. M. Romé de l'Isle, in his *Traité de Métrologie*, published in 1789, has given an account of the weight and fineness of an immense number of Attic *drachmas* and *tetradrachmas*. But he does not seem to

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have been more fortunate than his predecessors in deducing the value of the *talent* from the weight of the *drachmas*. The errors and absurdities into which modern critics and commentators have fallen in estimating the value of the sums mentioned in ancient authors, is indeed astonishing. They are ably pointed out in a short essay, *De la Monnoie des Peuples Anciens*, in one of the supplemental volumes added by Garnier to his translation of the *Wealth of Nations*.

History of the Money of Rome — Weight of the As.

Roman Money. — We learn from Pliny, that the first Roman coinage took place in the reign of Servius Tullius, that is, according to the common chronology, about 550 years before Christ. The *as*, or *pondo*, of this early period, contained a Roman pound of copper, the metal then exclusively used in the Roman coinage, and was divided into twelve parts or *unciæ*. If we may rely on Pliny, this simple and natural system was maintained until 250 years before our era, or until the first Punic war, when the revenues of the state being insufficient, government attempted to supply the deficiency by reducing the weight of the as from twelve to two ounces. But it is extremely improbable that a government, which had maintained its standard inviolate for 300 years, should have commenced the work of degradation, by at once reducing it to *a sixth part* of its former amount; and it is equally improbable that so sudden and excessive a reduction should have been made in the value of the current money of the state, and consequently, in the debts due by individuals to each other, without occasioning the most violent commotions. Nothing, however, is said in any ancient writer, to entitle us to infer that such commotions actually took place; and we, therefore, concur with those who think that the weight of the as had been previously reduced, and that its diminution, which, it is most probable, would be gradual and progressive, had merely been carried to the extent mentioned by Pliny during the first Punic war. In the second Punic war, or 215 years before Christ, a further degradation took place, and the weight of the as was reduced from two ounces to one ounce. And by the Papyrian law, supposed to have passed when Papyrius Turdus was tribune of the people, or 175 years before Christ, the weight of the as was reduced to half an ounce, or to $\frac{1}{24}$th of its ancient weight, at which it continued till Pliny's time and long afterwards.

"Servius rex primus signavit æs. Antea rudi usos Romæ Remeus tradit. Signatum est nota pecudum unde et pecunia appellata. . . . . Argentum signatum est anno urbis DLXXXV. Q. Fabio Cos. quinque annos ante primum bellum Punicum. Et placuit denarius pro x. libris æris, quinarius pro quinque, sestertium pro dipondio ac semisse. Libræ autem pondus æris imminutum bello Punico primo cum impensis resp. non sufficeret, constitutumque ut asses sextentario pondere ferirentur. Ita quinque partes factæ lucri, dissolutumque æs alienum. . . . . Postea, Annibale urgente, Q. Fabio Maximo Dictatore, asses unciales facti: placuitque denarium xvi. assibus permutari, quinarium octonis, sestertium quaternis. Ita resp. dimidium lucrata est. Mox lege Papyria semunciales asses facti." (Plinii, *Hist. Nat.*, lib. xxxiij. cap. 3. Lugd. Bat. 1669.)

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Proportion of Silver to Copper.

The denarius, the principal silver coin in use amongst the Romans, for a period of 600 years, was coined five years before the first Punic war, and was, as its name imports, rated in the mint valuation at ten asses. Mr. Greaves, whose dissertation on the denarius has been deservedly eulogized by Gibbon (*Decline and Fall*, vol. iii. p. 89), shows that the denarius weighed at first only *one-seventh* part of the Roman ounce (this is, indeed, decisively proved by a passage in Celsus: "Sed et antea sciri volo in uncia pondus denariorum esse septem." Cels. lib. xv. cap. 17), which, if Pliny's account of the period when the weight of the as was first reduced be correct, would give the value of silver to copper in the Roman mint as 840 to 1, which Mr. Greaves very truly calls a "most unadvised proportion." But if we suppose, with Mr. Pinkerton (*Essay on Medals*, vol. i. p. 132, edit. 1789), that when the denarius was first issued, the as only weighed three ounces, the proportion of silver to copper would be as 252 to 1, a proportion which, when the as was soon afterwards reduced to two ounces, would be as 168 to 1, or about a third more than in the British mint. When, in the second Punic war, the as was reduced from two ounces to one, the denarius was rated at sixteen asses.

Value of the Denarius.

During his stay in Italy, Mr. Greaves weighed many of the consular denarii, that is, as he explains himself, of the denarii that were struck after the second Punic war, and previously to the government of the Cæsars; and he found, by frequent and exact trials, that the best and most perfect of them weighed 62 grains English troy weight. (Greaves's *Works*, vol. i. p. 262.) Now, as the English shilling (new coinage) contains very nearly 87¼ grains standard silver, this would give 8½*d.* for the value of the consular denarius. We should, however, fall into the grossest mistakes, if we indiscriminately converted the sums mentioned in the Latin authors by this or any other fixed proportion. It is not enough to determine the real value of a coin, to know its weight; the degree of its purity or the fineness of the metal of which it is made, must also be known. But Mr. Greaves did not assay any of the denarii weighed by him. And though it were true, as most probably it is, that, from the first coinage of silver in the 485th year of the city to the reign of Augustus, the weight of the denarius remained constant at ⅐th part of a Roman ounce, or about 62 grains; and that, from the reign of Augustus to that of Vespasian, it only declined in weight from ⅐th to ⅛th of an ounce (Greaves, vol. i. p. 331. Gibbon's *Miscellaneous Works*, vol. v. p. 71); still it is abundantly certain that its real value had been reduced to a much greater extent. As to this fact the authority of Pliny is decisive; for he expressly states, that Livius Drusus, who was tribune of the people in the 662d year of the city, or 177 years after the first coinage of silver, debased its purity, by alloying it with ⅛th part of copper. (Lib. xxxiij. cap. 3, previously quoted.) And in a subsequent chapter (the ninth) of the same book, he informs us that

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Antony the triumvir mixed iron with the silver of the denarius; and that, to counteract these abuses, a law was afterwards made providing for the assay of the denarii. Some idea of the extent to which the purity of the coins had been debased, and of the disorder which had in consequence been occasioned, may be formed from the circumstance, also mentioned by Pliny, of statues being everywhere erected in honor of Marius Gratidianus, by whom the law for the assay had been proposed. But this law was not long respected; and many imperial denarii are now in existence, consisting of mere plated copper. (Bazinghen, *Dictionnaire des Monnoies*, tom. ii. p. 64.)

Value of the Aureus. — Value of the Sestertius.

Gold was first coined at Rome sixty-two years after silver, in the 547th year of the city, and 204 years before Christ. The aureus originally weighed $\frac{1}{40}$th part of the *pondo* or Roman pound; but by successive reductions its weight was reduced, in the reign of Constantine, to only $\frac{1}{72}$d part of a pound. The purity, however, as well as the weight of the aureus was diminished. Under Alexander Severus it was alloyed with $\frac{1}{5}$th part of silver. We learn from Dion Cassius, contemporary with Severus, that the aureus was rated at twenty-five denarii, a proportion which Mr. Pinkerton thinks was always maintained under the emperors. (*Essay on Medals*, vol. i. p. 148.)

The want of attention to this progressive degradation has led the translaters of, and commentators on, ancient writers, to the most extraordinary conclusions. The sestertius, or money *unit* of the Romans, was precisely the *fourth* part of a denarius. "Nostri autem," says Vitruvius (lib iii. cap. 1), "primo decem fecerunt antiquum numerum, et in denario denos æreos asses constituerunt, et ea re compositio nummi ad hodiernum diem denarii nomen retinet; etiamque quartam ejus partem, quod efficiebatur ex duobus assibus et tertio semisse *sestertium* nominaverunt." When, therefore, the denarius was worth 8½d. the sestertius must have been worth 2⅛d. But the sestertius being thus plainly a multiple of, and bearing a fixed and determined proportion to, the denarius, and consequently to the as, the aureus, and the other coins generally in use, it must have partaken of all their fluctuations. When they were reduced, the sestertius must have been likewise reduced; for if it had not been so reduced, or, if the quantity of degraded denarii and aurei contained in a given sum of sestertii had been increased in proportion to their degradation, nothing, it is obvious, would have been gained by falsifying the standard. But as we know that on one occasion the republic got rid of half of its debts, *respublica dimidium lucrata est*, by simply reducing the standard of the as, it is certain that the value of the sestertius must have fallen in the same proportion, just as in England we should reduce the pound sterling, our money *unit*, by reducing the shillings of which it is made up.

Writers on ancient coins, with the exception of Mr. Pinkerton, agree in supposing the sestertius to have been originally, and to have always continued to be, a *silver* coin. Mr. Pinkerton has, however, denied this opinion, and, on the authority of the following passage of Pliny, contends

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that the sestertius was at the time when Pliny wrote, whatever it might have been before, a *brass* coin. "Summa gloria æris nunc in Marianum conversa, quod et Cordubense dicitur. Hoc a Liviano cadmiam maxime sorbet, et orichalci bonitatem imitatur in SESTERTIIS, DUPONDIARIISQUE, Cyprio suo ASSIBUS contentis." (Lib. xxxxiv. cap. 2.) That is, literally, "The greatest glory of brass is now due to the Marian, also called that of Cordova. This, after the Livian, absorbs the greatest quantity of *lapis calaminaris*, and imitates the goodness of orichalcum (*yellow brass*) in our SESTERTII and DUPONDIARII, the ASSES being contented with the Cyprian (brass)." Pliny had previously observed, that the Cyprian was the least valuable brass. This passage is, we think, decisive in favor of Mr. Pinkerton's hypothesis. But, in the absence of positive testimony, the *small value* of the sestertius might be relied on as a sufficient proof that it could not be silver. When the denarius weighed 62 grains, the sestertius must have weighed $15\frac{1}{2}$, and been worth $2\frac{1}{8}$d.; but a coin of so small a size as to be scarcely equal to *one third* part of one of our sixpences, would have been extremely apt to be lost; and could not have been struck by the rude methods used in the Roman mint with any thing approaching to even tolerable precision. It is, therefore, much more reasonable to suppose that it was of brass.

Errors of Dr. Arbuthnot and others.

But though it had not been possible to produce such clear and explicit evidence of the continued degradation of the Roman money, the obvious absurdity of many of the calculations which have been framed, on the supposition of its remaining stationary at the rates fixed in the earlier ages of the commonwealth, would have sufficiently established the fact of its degradation. Dr. Arbuthnot's *Tables of Ancient Coins*, which, for nearly a century, have been considered in England, and in the greater part of the Continent, as of the highest authority, are constructed on the hypothesis that the denarii weighed by Mr. Greaves were of equal purity with English standard silver, and that no subsequent diminution had been made either in their weight or fineness. The conclusions derived from such data are precisely such as we should arrive at, if, in estimating the value of a French livre previously to the Revolution, we took for granted that it weighed a pound of pure silver, as in the reign of Charlemagne. Amongst many other things quite as extraordinary, we learn from Arbuthnot, that Julius Cæsar, when he set out for Spain, after his prætorship, was £2,018,229 sterling worse than nothing; that Augustus received, in legacies from his friends, £32,291,666; that the estate of Pallus, a freedman of Crassus, was worth £2,421,875, and, which is still better, that he received £121,093 as a reward for his virtues and frugality; that Æsop, the tragedian, had a dish served up at his table which cost £4,843; that Vitellius spent £7,265,612 in twelve months, in eating and drinking; and that Vespasian, at his accession to the empire, declared that an annual revenue of £322,916,666 would be necessary to keep the state machine in motion. It is astonishing that none of our scholars or commentators seem ever to have been struck with the palpable extravagance of such conclu-

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sions, which, to use the words of Garnier, "ont mis l'Histoire Ancienne, sous le rapport des valeurs, au même degré de vraisemblance que les contes de *Mille et un Nuits.*" They have, we believe, without any exception, slavishly copied the errors of Arbuthnot; and to this hour the computations in the books on Roman antiquities used in our schools and universities are all borrowed from his work. It should be remembered that, from the greater poverty of the mines of the Old World, and the comparatively small progress made by the ancients in the art of mining, the value of gold and silver was much greater in ancient times than at present. But, without taking this circumstance into account, the computations referred to are too obviously erroneous to deserve the smallest attention. Vespasian, we believe, would have been very well satisfied with a revenue of twenty millions; and there are good grounds for supposing that the Roman revenue, when at the highest never amounted to so large a sum. (Gibbon, vol. i. p. 260.)

History of the Money of France. — Degradation of the Livre.

We subjoin an abridged table, calculated by M. Denis, exhibiting the average value of the French Livre in different periods, from the year 800 to the Revolution: —

Reigns.	*Years.*	*Value of the Livre in the Current Money of* 1789.
		Liv. Sols. Den.
From the 32d year of Charlemagne to the 43d year of Philip I.	or from 800 to 1103	78 17 0
Part of the reign of Philip I., Louis VI., and VII.	" 1103 " 1180	18 13 8
Philip II. and Louis VIII.	" 1180 " 1226	19 18 4⅘
Louis IX. and Philip IV.	" 1226 " 1314	18 3 5
Louis X. and Philip V.	" 1314 " 1322	17 3 5
Charles IV. and Philip VI.	" 1322 " 1350	14 11 10
John	" 1350 " 1364	9 19 2⅗
Charles V.	" 1364 " 1380	9 9 8
Charles VI.	" 1380 " 1422	7 2 3
Charles VII.	" 1422 " 1461	5 13 9
Louis XI.	" 1461 " 1483	4 19 7
Charles VIII.	" 1483 " 1498	4 10 7
Louis XII.	" 1498 " 1515	3 19 8
Francis I.	" 1515 " 1547	3 11 2
Henry II. and Francis II.	" 1547 " 1560	3 6 4⅘
Charles IX.	" 1560 " 1574	2 18 7
Henry III.	" 1574 " 1589	2 12 11
Henry IV.	" 1589 " 1610	2 8 0
Louis XIII.	" 1610 " 1643	1 15 3
Louis XIV.	" 1643 " 1715	1 4 11
Louis XV.	" 1715 " 1720	0 8 0
Louis XV. and XVI.	" 1720 " 1789	1 0 0

Those who wish for a detailed account of the various changes in the weight and purity of the French coins, may, besides the excellent work of Le Blanc, consult the elaborate and very complete tables at page 905 of the *Traité des Mésures* of Paucton, and at page 197 of the *Essai sur les Monnoies* of Dupré de St. Maur.

French Money. — From about the year 800, in the reign of Charle-

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magne, to the year 1103, in tnat of Philip I., the French *livre*, or money unit, contained exactly a pound weight or twelve ounces (poids de marc) of pure silver. It was divided into twenty sols, each of which, of course, weighed $\frac{1}{20}$th part of a pound. This ancient standard was first violated by Philip I., who diminished considerably the quantity of pure silver contained in the sols. The example once set, was so well followed up, that in 1180 the livre was reduced to less than a *fourth* part of its original weight of pure silver. In almost every succeeding reign there was a fresh diminution. "La Monnoye," says Le Blanc, "qui est la plus précieuse et la plus importante des mésures, a changé en France presque aussi souvent que nos habits ont changé de mode." And to such an extent had the process of degradation been carried, that, at the epoch of the Revolution, the livre did not contain a *seventy-eighth* part of the silver contained in the livre of Charlemagne. It would then have required 7,885 livres really to extinguish a debt of 100 livres contracted in the ninth or tenth centuries; and an individual who, in that remote period, had an annual income of 1,000 livres, was as rich, in respect to money, as those who, at the Revolution, enjoyed a revenue of 78,850 livres. (Paucton, *Traité des Mésures, Poids*, &c., p. 693.)

It was not to be expected, that degradations originating in the necessities, the ignorance, and the rapacity of a long series of arbitrary princes, should be made according to any fixed principle. They were sometimes the result of an increase in the denomination of the coins, but more frequently of a diminution of the purity of the metal of which they were struck. A degradation of this kind was not so easily detected; and, in order to render its discovery still more difficult, Philip of Valois, John, and some other kings, obliged the officers of the mint to swear to conceal the fraud, and to endeavour to make the merchants believe that the coins were of full value. (Le Blanc, p. 212.) Sometimes one species of money was reduced, without any alteration being made in the others. No sooner, however, had the people in their dealings manifested a preference, as they uniformly did, for the money which had not been reduced, than its circulation was forbidden, or its value brought down to the same level with the rest. (Id., *Introduction*, p. 20.) In order to render the subject more obscure, and the better to conceal their incessant frauds, individuals were at one time compelled to reckon exclusively by livres and sols, at other times by crowns or ecus; and not unfrequently they were obliged to refer, in computing, to coins which were neither livres, sols, nor crowns, but some multiple or fractional part thereof. The injurious effects of these constant fluctuations in the value of money are forcibly depicted by the French historians; and so insupportable did they become, that in the fourteenth and fifteenth centuries several cities and provinces were glad to purchase the precarious and little respected privilege of having coins of a fixed standard, by submitting to the imposition of heavy taxes. (Le Blanc, p. 93.)

In the Dutchy of Normandy, when it was governed by the English monarchs, there was a tax upon hearths paid every three years, called *monetagium*, in return for which the sovereign engaged *not to debase his coins*. This tax was introduced into England by our early kings of the

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Norman race; but Henry I., in the first year of his reign, was induced to abandon it, and it has not since been revived. (Liverpool, *On Coins*, p. 107.)

According to the present regulations of the French mint, the coins contain $\frac{9}{10}$ths of pure metal, and $\frac{1}{10}$th of alloy. The *franc*, which is equal to 1 livre, 0 sols, 3 deniers, weighs exactly 5 grammes, or 77.2205 English Troy grains. The gold piece of 20 francs weighs 102.96 English grains. (Peuchet, *Statistique Elémentaire de la France*, p. 538.)

Of England.—Degradation of the Pound Sterling.

English Money. — In England, at the epoch of the Norman conquest, the silver, or money pound, weighed exactly twelve ounces Tower weight. It was divided into twenty shillings, and each shilling into twelve pence, or sterlings. This system of coinage, which is in every respect the same with that established in France by Charlemagne, had been introduced into England previously to the invasion of William the Conqueror, and was continued, without any alteration, till the year 1300, in the 28th Edward I., when it was for the first time violated, and the value of the pound sterling degraded to the extent of $\frac{1}{81}$ per cent. But the really pernicious effect of this degradation did not consist so much in the trifling extent to which it was carried by Edward, as in the example which it afforded to his less scrupulous successors, by whom the standard was gradually debased, until, in 1601, in the reign of Queen Elizabeth, 62*s.* were coined out of a *pound* weight of silver. This was a reduction of above *two-thirds* in the standard; so that all the stipulations in contracts, entered into in the reigns immediately subsequent to the Conquest, might, in 1601, and since, be legally discharged by the payment of less than a *third part* of the sums really bargained for. And yet the standard has been less degraded in England than in any other country.

The tables annexed to this article give an ample account of these degradations, and also give the weight of the gold coins, and the proportional value of gold to silver, estimated both by the mint regulations and by the quantity of fine gold and fine silver contained in the different coins.

Of Scotland.

Scotch Money. — In the same manner as the English had derived their system of coinage from the French, the Scotch derived theirs of coinage from the English. From 1296 to 1355, the coins of both divisions of the island were of the same size and purity. But at the last-mentioned period it was attempted to fill up the void occasioned by the remittance of the ransom of David II. to England, by degrading the coins. Till then the money of Scotland had been current in England, upon the same footing as the money of that country; and the preservation of this equality is assigned by Edward III. as a reason for his degrading the English coins. But this equilibrium was soon afterwards destroyed. In the first year of Robert III. (1390) Scotch coin only passed for half its nominal value in England; and, in 1393, Richard II. ordered that its currency,

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as money, should entirely cease, and that its value should be made to depend on the weight of the genuine metal contained in it. "To close this point at once," says Mr. Pinkerton, "the Scottish money equal in value to the English till 1355, sunk by degrees, reign after reign, owing to succeeding public calamities, and the consequent impoverishment of the kingdom, till, in 1600, it was only a *twelfth* part of the value of English money of the same denomination, and remained at that point till the union of the kingdoms cancelled the Scottish coinage." (*Essay on Medals*, vol. ii. p. 99).

The tables at the end of this article exhibit the successive degradations both of the Scotch silver and gold coins.

At the Union, in 1707, it was ordered that all the silver coins current in Scotland, foreign as well as domestic, except English coins of full weight, should be brought to the Bank of Scotland, to be taken to the mint to be recoined. In compliance with this order, there were brought in,

Of foreign silver money, (Sterling), . . .	£ 132,080 17 9
Milled Scottish coins, ...	96,856 13 0
Coins struck by hammer, ...	142,180 0 0
English milled coin, ...	40,000 0 0
Total,	£ 411,117 10 9

Mr. Ruddiman conjectures, apparently with considerable probability, that the value of the Scotch gold coins, and of the silver coins not brought in, amounted to about as much more. Much suspicion was entertained of the measure of a recoinage; and that large proportion of the people who were hostile to the Union, and did not believe that it would be permanent, brought very little money to the bank. A few only of the hoarded coins have been preserved, the far greater part having either been melted by the goldsmiths, or exported to other countries. (Preface to Anderson's *Diplomata*, p. 176.)

Of Ireland.

Irish Money. — The gold and silver coins of Great Britain and Ireland are now the same, and have been so for a considerable period. The rate, however, at which these coins used to circulate in Ireland, or their nominal value as money of account, was 8⅓ per cent. higher than in Great Britain. This difference of valuation, though attended with considerable inconvenience in adjusting the money transactions between the two countries, subsisted from 1689 till 1825, when it was put an end to. For an account of the various species of metallic money which have at different times been current in Ireland, we must refer our readers to Mr. Simons's *Essay on Irish Coins* (originally printed at Dublin, in 1749, in 4to., and reprinted with some additions in 1810); a work pronounced by Mr. Ruding to be "the most valuable of all the publications on the coinage of any part of the United empire." (*Annals of the Coinage*, Preface, vol. i. p. 11.)

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Of Germany, &c.

MONEY OF GERMANY, SPAIN, &c. — A similar process of degradation had been universally carried on. "In many parts of Germany, the florin, which is still the integer, or money of account of those countries, was originally a *gold* coin, of the value of about 10*s.* of our present money (old coinage). It is now become a silver coin of the value of only 20*d.*; and its present value, therefore, is only equal to a sixth part of what it was formerly. In Spain, the maravedi, which was in its origin a Moorish coin, and is still the money of account of that kingdom, was in ancient times most frequently made of gold. Le Blanc observed that, in 1220, the maravedi weighed 84 grains of gold, equal in value to about 14*s.* (old coinage) of our present money. But this maravedi, though its value is not quite the same in all the provinces of Spain, is now become a small copper coin, equal in general to only $\frac{4}{272}$ of an English penny! In Portugal, the re, or reis, is become of no greater value than $\frac{2}{400}$ of an English penny; it is so small that, in estimating its value in other coins, it is reckoned by hundreds and thousands. The moeda, or moidore, is equal to 4,800 reis; and this little coin has now, in fact, no existence but in name. Such has been the fate of all these coins, and such is the present state of their depreciation." (Liverpool, *On Coins*, p. 111.)

Of Russia. — Raising of the Value of the Coin.

RUSSIAN MONEY. — The following, according to M. Storch, are the fluctuations in the weight and value of the rouble, or *money unit* of Russia, since 1700.

Years.	*Weight of the Rouble.*	*Value in Current Roubles of* 1821.
	Zolot. Dolls.	Rou. Cop.
Year 1700, ...	11 40	2 70½
From 1700 to 1718, ...	5 67	1 35
" 1718 " 1731, ...	4 83	1 15⅓
" 1731 " 1762, ...	5 16	1 22½
" 1762 " 1821, ...	4 21	1 0

The principle of degradation has not, however, been uniformly acted upon. The quantity of bullion contained in coins of the same denomination has sometimes, though rarely, been increased, and creditors enriched at the expense of their debtors. This method of swindling his subjects is said to have been first practised by Heliogabalus. The Roman citizens being bound to pay into the imperial treasury a certain number of pieces of gold, or *aurei*, the emperor, whose vices have become proverbial, to increase his means of dissipation, without appearing to add to the weight of the taxes, increased the quantity of metal contained in the *aureus;* and thus obtained, by a fraudulent trick, what he might not have obtained by a fair and open proceeding. (Lamp. *Vita. Alex. Severi*, cap. 39. — Perhaps Heliogabalus took the hint from Licinius, a freedman of Julius Cæsar, who, in his government of the Gauls under Augustus, divided the year into

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fourteen months instead of twelve, because the Gauls paid a certain *monthly* tribute. Dion Cassius, lib. 72.) In France, the value of the coins has been frequently raised. During the early part of the reign of Philip le Bel, who ascended the throne in 1285, the value of the coin had been reduced to such an extent as to occasion the most violent complaints on the part of the clergy and landholders, and generally of all that portion of the public whose incomes were not increased proportionably to the reduction in the value of money. To appease this discontent, and in compliance with an injunction of the pope, the king at length consented to issue new coins, of the same denomination with those previously current, but which contained about *three* times the quantity of silver. This, however, was merely shifting an oppressive burden from the shoulders of one class to those of another, less able to bear it. The degraded money having been in circulation for about sixteen years, by far the largest proportion of the existing contracts must have been adjusted with reference to it. No wonder, therefore, that debtors should have felt indignant at the shameful act of injustice done them by this enhancement of the value of money, and have refused to make good their engagements, otherwise than in money of the value of that which had been current when they were entered into. The laboring class, to whom every sudden change in the value of money is injurious, having joined the debtors in their opposition, they broke out into open rebellion. "The people," says Le Blanc, "being reduced to despair, and having no longer any thing to care for, lost the respect due to the edict of his Majesty; — they pillaged the house of the master of the mint, who was believed to have been the chief adviser of the measure, besieged the temple, in which the king lodged, and did all that an infuriated populace is capable of doing." (*Traité Historique des Monnoyes de France*, p. 190.) The sedition was ultimately suppressed; but it is not mentioned whether any abatement was made, by authority, from the claims of the creditors in the contracts entered into when the light money was in circulation. It seems probable, however, from what is elsewhere mentioned by Le Blanc (Introduction, p. 30), that such was really the case.

Increase of the Value of the English Coins in the Reign of Edward VI.

The history of the French coinage affords several instances similar to the very remarkable one we have now brought under the notice of our readers; but, in England, the new coinage in the last year of the reign of Edward VI. is the only instance in which the value of money has been augmented by the direct interference of government. Previously to the accession of Henry VIII., the pound of standard silver bullion, containing 11oz. 2dwts. of pure silver, and 13dwts. of alloy, was coined into thirty-seven shillings and sixpence. But Henry not only increased the number of shillings coined out of a pound weight of silver, but also debased its purity. The degradation was increased under his son and successor, Edward VI., in the fifth year of whose reign, seventy-two shillings were coined out of a pound weight of bullion; but as this bullion contained only *three* ounces of pure silver to *nine* ounces alloy, twenty of these shillings were

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only equal to 4*s.* 7½*d.* of our present money, including the seignorage. (Folkes's *Table of English Coins*, p. 34.) It appears, from the proclamations issued at the time, and from other authentic documents, that this excessive reduction of the value of silver money had been productive of the greatest confusion. A *maximum* was set on the price of corn and other necessaries; and letters were sent to the gentlemen of the different counties desiring them to punish those who refused to carry their grain to market. But it was soon found to be quite impossible to remedy these disorders otherwise than by withdrawing the base money from circulation. This was accordingly resolved upon; and, in 1552, new coins were issued, the silver of which was of the old standard of purity, and which, though less valuable than those in circulation, during the early part of the reign of Henry VIII., were above *four* times the value of a large proportion of the coins of the same denomination that had been in circulation for some years before.

It is certain, however, that such a rise in the value of money could not have taken place without occasioning the most violent commotions, had *all* the coins previously in circulation been debased. Equal injustice, it must be remembered, is always done to the poorest, and not least numerous class of society, by increasing the value of money, that is done to the wealthier classes by depressing it. But, though government had been disposed to sanction so enormous an invasion of the right of property, it is altogether impossible that the country could have submitted to have had 400 or 450 per cent. added to its taxes and other public burdens, by a legerdemain trick of this kind, or that individuals would have consented to pay so much more than they had originally bargained for. Instead of deserving praise for accomplishing such a measure, Edward VI., who began the reformation of the coins, and Elizabeth, by whom it was completed, would have justly forfeited the esteem of their subjects, and lost all their popularity. The truth is, however, that little or no change had been made, during all this period, in the value of the *gold* coins; and there is, besides, abundance of evidence to show, that many of the old silver coins had remained in circulation. Now, as there is no mention made of the issue of the new coins having been attended with any inconvenience, it is nearly certain, as Mr. Harris has remarked, that, during the period of the debasement of the standard, individuals had regulated their contracts chiefly with reference to the gold or old silver coins; or, which is the same thing, that "they had endeavoured, as well as they could, *to keep by the standard, as it had been fixed in the preceding times.*" (Harris, *On Coins*, part ii. p. 3.)

We have been thus particular in examining this measure, because it has been much referred to. It is plain, however, that it can give no support to the arguments of those who appeal to it as affording a striking proof of the benefits which they affirm must always result from restoring a debased or degraded currency to its original purity or weight. Invariability of value is the great desideratum in a currency. To elevate the standard after it has been for a considerable period depressed, is really not a measure of justice, but the giving *a new direction to injustice.* It vitiates and falsifies the provisions in one set of contracts, in order properly to adjust those in some other set.

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This, however, as already remarked, is the only instance in which the government of England has ever interfered directly to enhance the value of money. In every other case, where they have tampered with the standard, it has been to lower its value, or, which comes to the same thing, to reduce their own debts and those of their subjects.

Pernicious Effects of a Reduction of the Standard.

It is unnecessary to enumerate in detail the various bad consequences that must have resulted from these successive changes in the standard of value. But, it deserves to be remarked, that an arbitrary reduction of the standard does not afford any real relief to the governments by whom it is practised. Their *debts* are, it is true, reduced proportionally to the reduction in the value of the currency, but their *revenues* are, at the same time, reduced in the same proportion. A piece of money that has been degraded will not exchange for the same quantity of commodities that it previously did. To whatever extent the standard may be reduced, prices are very soon raised to the same extent. If the degradation be 10 per cent., government, as well as every one else, will, henceforth, be compelled to pay £ 110 for commodities previously obtainable for £ 100. Hence to bring the same real value into the coffers of the treasury, it is necessary that taxation should be increased whenever the standard is diminished; a measure always odious, and sometimes impracticable.

But a diminution of revenue is not the only bad effect which governments experience from reducing the standard of the currency. A state which has degraded its money, and cheated its creditors, is unable to borrow again on the same favorable terms as if it had acted with good faith. We cannot expect to enjoy the reputation of honesty at the same time that we are openly pocketing the booty earned by duplicity and fraud Those who lend money to knaves always stipulate for a proportionally high rate of interest. They must not only obtain as much as may be obtained from the most secure investments, but they must also obtain an *additional* rate or premium, to cover the risk they run in transacting with those who have given proofs of bad faith, and on whose promises no reliance can be placed. A degradation of the standard of value is, therefore, of all others, the most wretched resource of a bankrupt government. It will never, indeed, be resorted to, except by those who are alike unprincipled and ignorant. "It occasions," says Dr. Smith, "a general and most pernicions subversion of the fortunes of private people; enriching, in most cases, the idle and profuse debtor at the expense of the frugal and industrious creditor; and transporting a great part of the national capital from the hands which were likely to increase and improve it, to those which are likely to dissipate and destroy it. When it becomes necessary for a state to declare itself bankrupt, in the same manner as when it becomes necessary for an individual to do so, a fair, open, and avowed bankruptcy, is always the measure which is both least dishonorable to the debtor, and least hurtful to the creditor. The honor of a state is surely very poorly provided for, when, in order to cover the disgrace of a real bankruptcy, it has recourse to a juggling trick of this kind, so easily seen through, and at

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the same time so utterly pernicious."—(*Wealth of Nations*, vol. iv. p. 42.)

Some of the bad consequences resulting from a change in the value of money might, indeed, be obviated, by enacting, that the stipulations in all preceding contracts should be made good, not according to the present value of money, but to its value at the time when they were entered into. This principle, which is conformable to the just maxim of the civil law (*Valor monetæ considerandus atque inspiciendus est, a tempore contractus, non autem a tempore solutionis*), was acted upon, to a certain extent, at least, by the kings of France, during the Middle Ages. Ordonnances of Philip le Bel, Philip of Valois, and Charles VI., issued subsequently to their having *increased* the value of money, or, as the French historians term it, returned from the *foible* to the *forte* monnoie, are still extant, in which it is ordered, that all previous debts and contracts should be settled by reference to the previous standard. But though the same reason existed, it does not appear that any such ordonnances were ever issued when the value of money was degraded. It is obvious, indeed, that no government could derive any advantage whatever from reducing the value of money, were it to order, as it is in justice bound to do, that all *existing* contracts should be adjusted by the old standard. Such a measure would reduce the revenue without reducing the incumbrances of the state; whilst, by establishing a new standard of value, and unsettling all the notions of the public, it would open a door for the grossest abuses, and be productive of infinite confusion and disorder in the dealings of individuals.

The odium and positive disadvantage attending the degradation of metallic money, appear to have at length induced most governments to abstain from it. But they have only renounced one mode of playing at fast and loose with the property of their subjects, to adopt another and a still more pernicious one. The injustice which was formerly done by diminishing the quantity of bullion contained in the coins of different countries, is now perpetrated with greater ease, and to a still more ruinous extent, by the depreciation of their paper currency. In the last volume of the *Cours d'Economie Politique* of M. Storch, there is a very instructive account of the paper money of the different continental states. We can confidently recommend it as containing much useful information.

From 1601 *to* 1797, *on Changes made in the Standard.*

In the long period from 1601 to 1697, no change was made in the standard of money in this country. A project for enfeebling the standard had indeed been entertained, both in 1626 and 1695; but, in the former instance, it was quashed by the celebrated speech addressed by Sir Robert Cotton to the Lords of the Privy Council, and in the latter by the opposition of Mr. Montague, then Chancellor of the Exchequer, in the House of Commons, and by the impression made by the writings of Mr. Locke, by whom the injustice of the scheme was admirably exposed, out of doors. It was reserved for Mr. Pitt to set aside a standard which had been preserved inviolate for nearly two centuries. The Order in Council of the 25th February, 1797, and the acts of Parliament by which it was followed up,

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effected a total change in our ancient monetary system; and, instead of the old standard, gave us the *self-interested views and opinions of twenty-four irresponsible individuals.* The circulation of Bank of England paper was secured, by its being exclusively issued in payment of the interest of the public debt, and by its also being received as cash in all payments into the exchequer; but no attempt was made to sustain the value of this paper on a par with the value of gold or silver. Full power was given to the directors of the Bank to raise or depress the value of money, as their interest or caprice might suggest. They were enabled to exchange unlimited quantities of scraps of engraved paper, of the intrinsic worth, perhaps, of 5*s.* a quire, for as many, or the value of as many, hundreds of thousands of pounds. And, in such circumstances, our only wonder is, not that paper money became depreciated, but that its value was not more reduced, and that a still greater quantity of bank-notes were not thrust into circulation.

Effect of the Restriction in 1797 *in degrading the Value of Bank Paper. — Extraordinary Resolution of the House of Commons.*

For the first three or four years after the restriction, the directors, unaware, perhaps, of the nature of the immense power placed in their hands, seem to have regulated their issues nearly on the same principles that had regulated them while they were obliged to pay in coin. It appears from the *Tables of the Price of Bullion*, published by order of the House of Commons, that until 1801 bank-notes were on a par with gold. In 1801 and 1802, however, they were at a discount of from 8⅓ to 7⅓ per cent.; but they again recovered their value; and from 1803 to 1809, both inclusive, they were only at a discount of £2 13*s.* 6*d.* per cent. But in 1809 and 1810, the directors appear to have totally lost sight of every principle by which their issues had previously been governed. The average amount of bank-notes in circulation, which had never exceeded 17½ millions, nor fallen short of 16½ millions, in any one year, from 1802 to 1808, both inclusive, was in 1809 raised to £18,927,833; and, in 1810, to £22,541,523. The issues of country bank paper were increased in a still greater proportion; and, as there was no corresponding increase in the business of the country, the discount on bank-notes rose from £2 13*s.* 6*d.*, in 1809, to £13 9*s.* 6*d.* per cent. in 1810. The recommendation to return to cash payments, contained in the *Report of the Bullion Committee*, presented to the House of Commons in 1810, appears to have given a slight check to the issues of the Bank. All apprehensions from this quarter were, however, speedily dissipated; for in May, 1811, when guineas were notoriously bought at a premium, and bank-notes were at an open discount, as compared with gold bullion, of upwards of ten per cent., the House of Commons not only refused to fix any certain period for reverting to cash payments, but actually voted a resolution, declaring that the promissory notes of the Bank of England had *hitherto been, and were then, held to be, in public estimation, equivalent to the legal coin of the realm.*

This memorable resolution; a resolution which took for granted that a part was equal to a whole; that £90 and £100 were the same thing;

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Bankruptcy of the Country Banks in 1814, 1815, and 1816, *Cause of the Rise in the Value of Bank Paper.*

This memorable resolution; a resolution which took for granted that a part was equal to a whole; that £90 and £100 were the same thing; relieved the bank from all uneasiness respecting the interference of Parliament, and tempted the Directors to increase the amount of paper in circulation. The consequence was, that in 1812, it was at an average discount of 20¾; in 1813, of 23; and, in 1814, of 25 per cent. This was the *maximum* of depreciation. The importation of foreign corn, subsequent to the opening of the Dutch ports in 1814, having occasioned a great decline of the price of the principal article of agricultural produce, produced an unprecedented degree of distress, first among the farmers, and latterly among the country bankers. It is estimated that, in 1814, 1815, and 1816, no fewer than 240 private banking companies either became altogether bankrupt, or, at least, stopped payment; and the reduction that was thus occasioned in the quantity of bank notes in circulation, raised their value so rapidly, that, in October, 1816, the discount was reduced to £1 8*s.* 7*d.* per cent. In 1817 and 1818, the average discount on bank paper, as compared with gold, did not exceed £2 13*s.* 2*d.* per cent. In the early part of 1819, it rose to about six per cent., but it very soon declined; and in 1820 and 1821 paper was nearly on a level with gold. (See Table, on English Paper Money, annexed to this article.)

These fluctuations were exceedingly injurious. From 1809 to 1815, the creditors of every antecedent contract, land-holders whose estates had been let on lease, stock-holders, and annuitants of every description, — all, in short, who could not raise the nominal amount of their claims or of their incomes proportionally to the fall in the real value of money, were to this extent losers. The injustice that would have been done to the creditors of the state and of individuals, who had made their loans in gold, or paper equivalent to gold, by raising the denomination of the coin twenty-five per cent., however gross and palpable, would not have been greater than was actually done them in 1814, by compelling them to receive payment of their just debts in paper depreciated to that extent. Circumstances which could neither be controlled by the Bank of England nor the Government, put an end, as has been seen, to this system. But we suffered much, and perhaps are still suffering somewhat from the sacrifices imposed by the rise in the value of money.

Act 59th of George III. did not raise the Value of the Currency.

And yet, strange to say, there is a considerable party amongst us who, are even now (1837), at the end of eighteen or twenty years, clamoring for a fresh reduction of the standard. It is no doubt true that after a currency has been for a considerable period depreciated, equal injustice is done by again raising its value, as was done by first depressing it. There is good reason, however, to doubt, whether the depreciation from 1809 to 1815 (for the depreciation of 2½ per cent. during the seven preceding

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years is too inconsiderable to be taken into account) extended over a sufficiently lengthened period to have warranted the legislature in departing from the old standard. But, without giving any opinion on this point, which is confessedly one of considerable difficulty, it is sufficient to remark, that the value of the currency was raised, *independently altogether of the interference of government.* The destruction of country bank paper, occasioned by the renewed intercourse with the Continent, and the consequent introduction of cheap foreign corn, raised the value of paper, in October, 1816, to within $1\frac{1}{2}$ per cent. of par. Now, as the act 59 Geo. III. was not passed until 1819, and as the currency had not been depreciated in the interim, we confess our inability to discover the grounds on which *it* is affirmed to have been the *cause* of that rise in the value of money which took place *three years before it was in existence.* The proceedings in 1819 did not really add three per cent. to the value of Bank paper, nor were they intended to raise it. (At the period when Sir Robert Peel's bill was passed, bullion was at £4 an ounce; consequently, the depreciation was only £2 13*s.* 2*d.* per cent.) Their great object was to shut the door against a new depreciation, and to prevent paper, which had for three years been nearly on a level with gold, being again degraded. By maintaining the *old* standard, or, which is the same thing, by maintaining the currency at a value nearly corresponding to that to which it had attained in 1816, 1817, and 1818, Parliament certainly gave permanence to the injury which the rise in the value of money had occasioned to the debtors in all the contracts entered into between 1810 and 1815; but if, instead of maintaining this old standard, they had raised the mint price of bullion to its market price in 1814, they would have done an equal injury to the far more numerous body of creditors, in *all the contracts entered into previously to* 1810, *and in the three years subsequent to autumn* 1816.

Standard as now fixed ought be ***maintained inviolate.***

Under these circumstances, it was impossible to adopt any measure capable of giving general satisfaction to those whose interests were so widely different; and against which many plausible, and even forcible objections, might not have been stated. We are firmly persuaded, however, that the legislature followed that course which was, on the whole, the wisest and most advantageous. It must be remembered, that much of that inconvenience and distress, which always result from every sudden rise in the value of money, had been got over in 1817 and 1818. The rents of such farms as had been let during the depreciation had been very generally reduced, a vast number of annuity bonds had been cancelled, and prices and wages had begun to accommodate themselves to the new scale of value. Sir Robert Peel's bill gave stability to arrangements which had been brought about by the natural course of events; and, by fixing the standard at its former limit, secured us, as long at least as we have good sense and honesty to maintain it inviolate, against the risk of future derangement and fluctuation.

But, even if it could be shown that the 59 Geo. III. was inexpedient at

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the time when it was passed, that would add nothing to the plea of those who are now contending for its repeal. All the objections which it was possible to make to the degradation of the standard in 1819, must apply with a thousand times the force to every scheme for degrading it in 1837; while, on the other hand, all the arguments that could have been urged in favor of the measure at the former period are now quite worthless. The restored standard has been maintained for eighteen years; and ninety-nine out of every hundred of the existing contracts have been entered into with reference to it. To tamper with it now would be the extreme of madness. We should again witness the most pernicious subversion of private fortunes. Debtors would be enriched at the expense of their creditors; the ignorant and unwary would become the prey of the cunning and the crafty; and capitalists would be eager to transfer their stock from a country where it was impossible to lend it, except at the risk of getting it repaid in a depreciated currency. "Whatever, therefore," to avail ourselves of the just and forcible expressions of Mr. Harris, "may be the fate of future times, and whatever the exigency of affairs may require, it is to be hoped that that most awkward, clandestine, and most direful method, of cancelling debts by debasing the standard of money, will be the last that shall be thought of."—(*On Money and Coins*, part ii. p. 108.)

TABLES RELATIVE TO THE MONEY OF GREAT BRITAIN AND OTHER COUNTRIES.

ACCOUNT OF THE RELATIVE VALUE OF GOLD AND SILVER IN THE PRINCIPAL TRADING PLACES OF THE WORLD, COMPUTED FROM THE PROPORTIONAL QUANTITY OF PURE METAL, IN THEIR PRINCIPAL COINS, AND THE LEGAL OR CURRENT PRICE OF THOSE COINS RESPECTIVELY.

	By Mint Regulations.	*By Assays.*	*Names of the Coins from which the Proportions are taken.*
England,		Proved correct by the Trials of the Pix.	
By Old Coinage	15.2096 to 1		Per Guinea and Old Shilling.
By New Coinage	14.2878 to 1		Per Sovereign and New Shilling.
Amsterdam,	15.8735 to 1		Per 10 Guilder Piece decreed in 1816, and Silver Florin of the same date.
Hamburgh,	15 to 1 nearly	14.83 to 1	Per Ducato reckoned at 6 Marks Banco and Rixdollar.
Paris,	15.5 to 1	15 5 to 1	Per 20 Franc Piece, and 5 Franc Piece.
Madrid,	16 to 1	15·85 / 16·46 to 1	Per Doubloon and Dollar of different Coinages
Lisbon,	13.56 to 1	13 33 to 1	Per Joannese and New Silver Crusado.
Leghorn,	14.65 to 1	14·32 to 1	Per Ruspono and Francescone.
Genoa,	15.34 to 1	15·35 to 1	Per Genovina and Scudo.
Naples,	15.21 to 1		Per Oncetto and Ducato. (Coinage of 1818.)
Venice,	15 to 1 nearly	14·35 to 1	Per Sequin and Ducat.
Petersburg,	15 to 1 nearly	15·25 to 1	Per Ducat and Ruble.
United States,	15 to 1	15·94 to 1	Per Eagle and Dollar.
Bengal,	14.857 to 1	14·827 to 1	Per Gold Mohur and Sicca Rupee.
Madras,	13.872 to 1	13.857 to 1	Per Star Pagoda and Current Rupee.
Bombay,	15 to 1	15 to 1	Per Gold Rupee and Silver Rupee.
China,	14.25 to 1		Per Tale of Gold, and the Average price of Spanish Dollars.

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ENGLISH MONEY. — Account of the English silver coins; shewing their value; the seignorage or profit upon the coinage, and the price paid to the public by the mint, for the pound troy of standard gold and silver, from the Conquest to the year 1816. (This and the next three tables are taken from Part II. of Essays on Money, Exchanges, and Political Economy, *by Henry James.*)

A. D.	*Anno Regni.*	SILVER.				
		1 *Fineness of the silver in the coins.*	2 *Pound weight of such silver coined into.*	3 *Profit or seignorage on the coinage.*	4 *Price paid to the public for the pound-wt of silver*	5 *Equal to the mint price for standard silver of 11 oz 2 dwts fine troy wt.*
		oz dts.	£ *s. d.*	£ *s. d.*	£ *s. d.*	£ *s. d.*
1066	Conquest,	11 2	1 0 0	. .	. .	. .
1280	8 Edward I.	" "	1 0 0	0 1 0	0 19 0	1 0 $3\frac{1}{5}$
1300	28 " "	" "	1 0 2	0 1 $2\frac{1}{2}$	0 19 $0\frac{1}{2}$	. .
1344	18 Edward III.	" "	1 0 2	0 1 2	0 19 0	1 0 $3\frac{1}{5}$
1349	23 " "	" "	1 2 6	0 1 2	1 1 8	1 2 8
1356	30 " "	" "	1 5 0	0 0 10	1 4 2	1 5 $9\frac{1}{5}$
1394	18 Richard II.	" "	1 5 0	0 0 10	1 4 2	1 5 $9\frac{1}{5}$
1401	3 Henry IV.	" "	1 5 0	0 0 10	1 4 2	1 5 $9\frac{1}{5}$
1421	9 Henry V.	" "	1 10 0	0 1 0	1 9 0	1 10 $11\frac{1}{5}$
1425	4 Henry VI.	" "	1 10 0	0 1 0	1 9 0	1 10 $11\frac{1}{5}$
1464	4 Edward IV.	" "	1 17 6	0 4 6	1 13 0	1 15 $2\frac{2}{5}$
1465	5 " "	" "	1 17 6	0 4 6	1 13 0	1 15 $2\frac{2}{5}$
1470	49 Henry VI.	" "	1 17 6	0 2 0	1 15 6	1 17 $10\frac{3}{5}$
1482	22 Edward IV.	" "	1 17 6	0 1 6	1 16 0	1 18 $4\frac{4}{5}$
1483	1 Rich. III.	" "	1 17 6	0 1 6	1 16 0	1 18 $4\frac{4}{5}$
1485	1 Henry VII.	" "	1 17 6	0 1 6	1 16 0	1 18 $4\frac{4}{5}$
1509	1 Henry VIII.	" "	1 17 6	0 1 6	1 16 6	1 18 $11\frac{1}{5}$
1527	18 " "	" "	2 0 6	0 1 $0\frac{4}{5}$	1 18 $11\frac{1}{5}$	1 18 $11\frac{1}{5}$
"	" " " "	" "	2 5 0	0 1 0	2 4 0	2 14 0
. .	. . . . .	. .	. .	. .	. .	. .
1543	34 " "	10 0	2 8 0	0 8 0	2 8 0	2 4 $4\frac{4}{5}$
1545	36 " "	6 0	2 8 0	2 0 0	2 16 0	2 11 $9\frac{3}{5}$
1546	37 " "	4 0	2 8 0	4 4 0	3 0 0	2 15 6
1547	1 Edward VI.	4 0	2 8 0	4 4 0	3 0 0	2 15 6
1549	3 " "	6 0	3 12 0	4 0 0	3 4 0	2 19 $2\frac{2}{5}$
1551	5 " "	3 0	3 12 0	. .	. .	. .
"	" " " "	11 0	3 0 0	. .	. .	. .
"	" " " "	. .	. .	. .	. .	. .
1552	6 " "	11 1	3 0 0	0 1 0	2 19 0	2 19 $3\frac{1}{5}$
"	" " " "	. .	. .	. .	. .	. .
1553	1 Mary,	11 0	3 0 0	0 1 0	2 19 0	2 19 $6\frac{3}{5}$
1560	2 Elizabeth,	11 2	3 0 0	0 1 6	2 18 6	2 18 6
"	" " "	. .	. .	. .	. .	. .
1600	43 " "	" "	3 2 0	0 2 0	3 0 0	3 0 0
"	" " "	. .	. .	. .	. .	. .
1604	2 James I.	" "	3 2 0	0 2 6	2 19 6	2 19 6
1626	2 Charles I.	" "	3 2 0	0 2 0	3 0 0	3 0 0
1666	18 Charles II.	" "	3 2 0	0 0 0	3 2 0	3 2 0
1717	3 George I.	" "	3 2 0	0 0 0	3 2 0	3 2 0
1816	56 George III.	" "	3 6 0	0 4 0	. .	. .

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ENGLISH MONEY. — Account of the English gold coins; shewing their value; the seignorage or profit upon the coinage, and the price paid to the public by the mint, for the pound troy of standard gold, from the Conquest to the year 1816. (This and the two following tables are taken from Part II. of Essays on Money, Exchanges, and Political Economy, *by Henry James.*)

A. D.	*Anno Regni.*	GOLD. 6 *Fineness of the goldin the coins.*	7 *Pound weight of such gold coined into*	8 *Profit or seignorage on the coinage.*	9 *Price paid to the public for the pound weight of gold.*	10 *Equal to the mint price for standard gold of 22 carats fine troy weight.*
		crts. grns.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1066	Conquest,	. .	. .	. .	. .	. .
1280	8 Edward I.	. .	. .	. .	. .	. .
1300	28 " "	. .	. .	. .	. .	. .
1344	18 Edward III.	23 3½	13 3 4	0 8 4	12 15 0	12 10 8
1349	23 " "	" "	14 0 0	0 11 8	13 8 4	13 3 9
1356	30 " "	" "	15 0 0	0 6 8	14 13 4	14 8 4
1394	18 Richard II.	" "	15 0 0	0 5 0	14 15 0	14 9 11
1401	3 Henry IV.	" "	15 0 0	0 5 0	16 15 0	14 9 11
1421	9 Henry V.	" "	16 13 4	0 5 0	16 8 4	16 2 9
1425	4 Henry VI.	" "	16 13 4	0 5 10	16 7 6	16 1 11
1464	4 Edward IV.	" "	20 16 8	2 10 0	18 6 8	18 0 5
1465	5 " "	" "	22 10 0	1 0 10	21 9 2	21 1 10
1470	49 Henry VI.	" "	22 10 0	0 13 0	21 17 0	21 9 7
1482	22 Edward IV.	" "	22 10 0	0 7 6	22 2 6	21 15 0
1483	1 Rich. III.	" "	22 10 0	0 7 6	22 2 6	21 15 0
1485	1 Henry VII.	" "	22 10 0	0 7 6	22 2 6	21 15 0
1509	1 Henry VIII.	" "	22 10 0	0 2 6	22 7 6	22 0 0
1527	18 " "	" "	24 0 0	0 2 8	23 17 4	22 0 0
"	" " " "	" "	27 0 0	0 2 9	26 17 3	. .
. .	. . . .	22 0	25 2 6	0 3 0	24 19 6	24 19 6
1543	34 " "	23 0	28 16 0	1 4 0	27 12 0	26 8 0
1545	36 " "	22 0	30 0 0	2 10 0	27 10 0	27 10 0
1546	37 " "	20 0	30 0 0	5 0 0	27 10 0	27 10 0
1547	1 Edward VI.	20 0	30 0 0	1 10 0	28 10 0	31 7 0
1549	3 " "	22 0	34 0 0	1 0 0	33 0 0	33 0 0
1551	5 " "	. .	. .	. .	. .	. .
"	" " " "	23 3½	36 0 0	. .	. .	. .
"	" " " "	22 0	33 0 0	. .	. .	. .
1552	6 " "	23 3½	36 0 0	0 2 9	35 17 3	. .
"	" " " "	22 0	33 0 0	0 3 0	32 17 0	32 17 0
1553	1 Mary,	23 3½	36 0 0	0 3 0	35 17 0	33 0 8
1560	2 Elizabeth,	23 3½	36 0 0	0 5 0	35 15 0	. .
"	" " " "	22 0	33 0 0	0 4 0	32 16 0	32 16 0
1600	43 " "	23 3½	36 10 0	0 10 9	36 0 0	. .
"	" " " "	22 0	33 10 0	0 10 0	33 0 0	33 0 0
1604	2 James I.	22 0	37 4 0	1 10 0	35 14 0	35 14 0
1626	2 Charles I.	" "	41 0 0	1 1 5	39 18 7	39 18 7
1666	18 Charles II.	" "	44 10 0	0 0 0	44 10 0	44 10 0
1717	3 George I.	" "	46 14 6	0 0 0	46 14 6	46 14 6
1816	56 George III.	" "	46 14 6	0 0 0	46 14 6	46 14 6

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ENGLISH MONEY. — ACCOUNT OF THE QUANTITY OF FINE SILVER COINED INTO 20*s.* OR THE POUND STERLING; THE QUANTITY OF STANDARD SILVER, OF 11*oz.* 2*dwts.* FINE, AND 18*dwts.* ALLOY, CONTAINED IN 20*s.* OR THE POUND STERLING, AND THE QUANTITY OF STANDARD SILVER WHICH WAS DELIVERED TO THE MINT, BY THE PUBLIC, FOR 20*s.* OF SILVER MONEY, IN THE DIFFERENT REIGNS, FROM THE TIME OF EDWARD I. TO THE REIGN OF GEORGE III. AND AN ACCOUNT OF THE PROPORTIONATE VALUE OF FINE GOLD TO FINE SILVER, ACCORDING TO THE NUMBER OF GRAINS CONTAINED IN THE COINS. CALCULATED IN GRAINS AND 1000*th* PARTS TROY WEIGHT.

A. D.	*Anno Regni.*	SILVER.			*Proportionate value of fine gold to fine silver, according to the quantity of each metal contained in the coins.*
		Number of grains of fine silver in 20 shillings, or the pound sterling, as coined by the mint indentures.	*Number of grains of standard silver, 14oz. 2dwts. fine in 20s. or the pound sterling, as coined by the mint indentures.*	*Number of grains of standard silver which 20s. were worth, according to the price paid by the mint to the public.*	
		Grains.	*Grains.*	*Grains.*	*Gold to Silver.*
1066	Conquest,	4995·000	5400·000	. .	. . .
1280	8 Edward I.	4995·000	5400·000	5684·210	. . .
1344	18 Edward III.	4933·333	5333·333	5684·210	1 to 12·091
1349	23 " "	4440·000	4800·000	5092·352	1 " 11·571
1356	30 " "	3996·000	4320·000	4468·965	1 " 11·558
1401	3 Henry IV.	3996·000	4320·000	4468·965	1 " 11·158
1421	9 Henry V.	3330·000	3600·000	3724·137	1 " 10·331
1464	4 Edward IV.	2664·000	2880·000	3272·727	1 " 10·331
1465	5 " "	2664·000	2880·000	3272·727	1 " 11·158
1470	49 Henry VI.	2664·000	2880·000	3042·253	1 " 11·158
1482	22 Edward IV.	2664·000	2880·000	3000·000	1 " 11·153
1509	1 HenryVIII.	2664·000	2880·000	2958·904	1 " 11·158
1527	18 " "	2368·000	2560·000	2618·181	1 " 11·268
1543	34 " "	2000·000	2162·162	2594·594	1 " 10·434
1545	36 " "	1200·000	1297·297	2223·938	1 " 6·818
1546	37 " "	800·000	864·864	2075·675	1 " 5·000
1547	1 Edward VI.	800·000	864·864	2075·675	1 " 5·000
1549	3 " "	800·000	864·864	1945·945	1 " 5·151
1551	5 " "	400·000	. .	. .	. . .
"	" " "	1760·000	1902·702	. .	1 " 11·000
1552	6 " "	1768·000	1911·351	1943·757	1 " 11·050
1553	1 Mary,	1760·000	1902·702	1935·060	1 " 11·057
1560	2 Elizabeth,	1776·000	1920·000	1969·230	1 " 11·100
1600	43 " "	1718·709	1858·064	1920·000	1 " 10·904
1604	2 James I.	1718·709	1858·064	1936·134	1 " 12·109
1626	2 Charles I.	1718·709	1858·064	1920·000	1 " 13·346
1666	18 Charles II.	1718·709	1858·064	1858·064	1 " 14·485
1717	3 George I.	1718·709	1858·064	1858·064	1 " 15·209
1816	56 George III.	1614·545	1745·454	. .	1 " 14·287

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ENGLISH MONEY. — ACCOUNT OF THE QUANTITY OF FINE GOLD COINED INTO 20*s.* OR THE POUND STERLING; THE QUANTITY OF STANDARD GOLD OF 11*oz.* 2*dwts.* FINE, AND 18*dwts.* ALLOY, CONTAINED IN 20*s.* OR THE POUND STERLING, AND THE QUANTITY OF STANDARD GOLD WHICH WAS DELIVERED TO THE MINT, BY THE PUBLIC, FOR 20*s.* OF SILVER MONEY, IN THE DIFFERENT REIGNS, FROM THE TIME OF EDWARD I. TO THE REIGN OF GEORGE III. AND AN ACCOUNT OF THE PROPORTIONATE VALUE OF FINE GOLD TO FINE SILVER, ACCORDING TO THE PRICE PAID BY THE MINT TO THE PUBLIC. CALCULATED IN GRAINS AND 1000*th* PARTS TROY WEIGHT.

A. D.	*Anno Regni*	GOLD.			
		Number of grains of fine gold in 20s. or the pound sterling as coined by the mint indentures.	*Number of grains of standard gold, 22 carats fine in 20s. or the pound sterling as coined by the mint indentures.*	*Number of grains of standard gold which 20s. were worth, according to the price paid by the mint to the public.*	*Proportionate value of fine gold to fine silver, according to the mint price, or the presumed market value of gold.*
		Grains.	*Grains.*	*Grains.*	*Gold to Silver.*
1066	Conquest,	. .	. .	. .	. . .
1280	8 Edward I.	. .	. .	. .	. . .
1344	18 Edward III.	407·990	445·080	459·625	1 to 12·479
1349	23 " "	383·705	418·588	436·777	1 " 11·741
1356	30 " "	358·125	390·682	399·561	1 " 11·286
1401	3 Henry IV.	358·125	390·682	397·303	1 " 11·350
1421	9 Henry V.	322·312	351 613	356·963	1 " 10·527
1464	4 Edward IV.	257·850	281·291	319·648	1 " 10·331
1465	5 " "	238·750	260·454	273·109	1 " 11·983
1470	49 Henry VI.	238·750	260·454	266·202	1 " 11·446
1482	22 Edward IV.	238·750	260·454	264·869	1 " 11·429
1509	1 Henry VIII.	238·750	260·454	261·909	1 " 11·400
1527	18 " "	210·149	229·263	230·630	1 " 11·455
1543	34 " "	191·666	209·090	218·181	1 " 12·000
1545	36 " "	176·000	192·000	209·454	1 " 10·714
1546	37 " "	160·000	174·545	209·454	1 " 10·000
1547	1 Edward VI.	160·000	174·545	193·732	1 " 11·400
1549	3 " "	155·294	169·412	174·545	1 " 11·250
1551	5 " "	. .	. .	. .	. . .
"	" " "	160·000	174·545	. .	. . .
1552	6 " "	160·000	174·545	175·342	1 " 11·186
1553	1 Mary,	159·166	173·636	174·369	1 " 11·198
1560	2 Elizabeth,	160·000	174·545	175·609	1 " 11·315
1600	43 " "	157·612	171·940	174·545	1 " 11·100
1604	2 James I.	141·935	154·838	161·344	1 " 12·109
1626	2 Charles I.	128·780	140·487	144·255	1 " 13·431
1666	18 Charles II.	118·651	129·438	129·438	1 " 14·485
1717	3 George I.	113·001	123·274	123·274	1 " 15·209
1816	56 George III.	113·001	123·274	123·274	. . .

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SCOTS MONEY.—Account of the number of Pounds, Shillings, and Pennies Scots, which have been coined out of One Pound Weight of Silver, at different times; with the degree of Purity of such Silver, or its fineness from the year 1107 to the year 1601. (*From Cardonnell's* Numismata Scotiæ, p. 24.)

A. D.	*Anno Regni.*		*Purity.*		*Alloy.*		*Value of money coined out of a lb. of silver.*		
From			*oz. pw.*		*oz. pw.*		£	*s.*	*d.*
1107	Alexander I.								
	David I.								
to	William Alexander II. Alexander III.		11	2	0	18	1	0	0
1296	John Baloil,								
From 1306 to 1329	Robert I.		11	2	0	18	1	1	0
1366	David II.	38	11	2	0	18	1	5	0
1377		39	11	2	0	18	1	9	4
From 1371 to 1390	Robert II.		11	2	0	18	1	9	4
1393	Robert III.	4	11	2	0	18	1	12	0
1424	James I.	19	11	2	0	18	1	17	6
1451	James II.	15	11	2	0	18	3	0	4
1456		20	11	2	0	18	4	16	0
1475	James III.	16	11	2	0	18	7	0	4
1484		24	11	2	0	18	7	0	0
1488	James IV.	1	11	2	0	18	7	0	0
1489		2							
1529	James V.	16	11	0	1	0	9	12	0
1544	Mary,	3	11	0	1	0	9	12	0
1556		14	11	0	1	0	13	0	0
1565		23	11	0	1	0	18	0	0
1567	James VI.	1	11	0	1	0	18	0	0
1571		5	9	0	3	0	16	14	0
1576		10	8	0	4	0	16	14	0
1579		13	11	0	1	0	22	0	0
1581		15	11	0	1	0	24	0	0
1597		31	11	0	1	0	30	0	0
1601		35	11	0	1	0	36	0	0

English Coinage.—The first Coinage in England was under the Romans at Camulodunum, or Colchester. English Coin was of different shapes, as square, oblong, and round, until the middle ages, when round Coin only was used.

1257. The first Gold Coin struck.
1357. Gold Florin struck.—Edward III.
1494. Old Sovereigns first minted.
1503. Shillings first coined.
1553. Crowns and Half-Crowns.
1560. Irish Shillings.
1631. Modern Milling introduced.
1665. Half-pence and Farthings.
1673. Guineas first coined.
1673. Double Guineas "
1673. Five Guineas "
1673. Half-Guineas "
1716. Quarter-Guineas.—3 Geo. III.
1797. Seven Shilling Pieces Coined.
1797. Two-Penny Copper Pieces "
1816. Sovereigns.—New Coinage.

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SCOTS MONEY. — ACCOUNT OF THE NUMBER OF POUNDS, SHILLINGS, AND PENNIES SCOTS, WHICH HAVE BEEN COINED OUT OF ONE POUND WEIGHT OF GOLD; WITH THE DEGREE OF THEIR PURITY, AND THE PROPORTION THAT GOLD BORE TO THE SILVER.

A. D.	*Anno Regni.*	*Fineness.*	*Alloy.*	*Value of the coin coined out of one pound of gold.*	*Pound of pure gold weighed of pure silver.*
		oz. pw. gr.	*oz. pw. gr.*	£ *s. d.*	*lb. oz. pw. gr.*
1371, &c.	Robert II.	11 18 18	0 1 6	17 12 0	11 1 17 22
1390, &c.	Robert III.	11 18 18	0 1 6	19 4 0	11 1 17 22
1424	James I. 19	11 18 18	0 1 6	22 10 0	11 1 17 22
1451	James II. 15	11 18 18	0 1 6	33 6 0	9 8 4 14
1456	20	11 18 18	0 1 6	50 0 0	9 8 4 14
1475	James III. 16	11 18 18	0 1 6	78 15 0	10 2 0 20
1484	24	11 18 18	0 1 6	78 15 0	10 5 7 9
1488	James IV. 1	11 18 18	0 1 6	78 15 0	10 5 7 9
1529	James V. 16	11 18 18	0 1 6	108 0 0	10 5 7 9
1556	Mary, 14	11 0 0	1 0 0	144 0 0	10 5 8 6
1577	James VI. 10	11 0 0	1 0 0	240 0 0	10 5 8 6
1579	13	10 10 0	1 10 0	240 0 0	11 5 2 20
1597	31	11 0 0	1 0 0	360 0 0	12 0 0 0
1601	35	11 0 0	1 0 0	432 0 0	12 0 0 0
1633	Charles I. 9	11 0 0	1 0 0	492 0 0	13 2 7 11

ENGLISH PAPER MONEY. — ACCOUNT OF THE AVERAGE MARKET PRICE OF BULLION IN EVERY YEAR FROM 1800 TO 1821, (TAKEN FROM PAPERS LAID BEFORE THE HOUSE OF COMMONS,) OF THE AVERAGE VALUE PER CENT. OF THE PAPER CURRENCY, ESTIMATED FROM THE MARKET PRICE OF GOLD FOR THE SAME PERIOD, AND OF THE AVERAGE DEPRECIATION OF THE PAPER CURRENCY.

Years.	*Av'rge price of gold per ounce.*	*Average per cent. of the valuation of the currency*	*Average depreciation per cent.*	*Years.*	*Av'rge price of gold per ounce.*	*Average per cent. of the valuation of the currency.*	*Average depreciation per cent.*
	£ *s. d.*	£ *s. d.*	£ *s. d.*		£ *s. d.*	£ *s. d.*	£ *s. d.*
1800	3 17 10½	100 0 0	Nil.	1811	4 4 6	92 3 2	7 16 10
1801	4 5 0	91 12 4	8 7 8	1812	4 15 6	79 5 3	20 14 9
1802	4 4 0	92 14 2	7 5 10	1813	5 1 0	77 2 0	22 18 0
1803	4 0 0	97 6 10	2 13 2	1814	5 4 0	74 17 6	25 2 6
1804	4 0 0	97 6 10	2 13 2	1815	4 13 6	83 5 9	16 14 3
1805	4 0 0	97 6 10	2 13 2	1816	4 13 6	83 5 9	16 14 3
1806	4 0 0	97 6 10	2 13 2	1817	4 0 0	97 6 10	2 13 2
1807	4 0 0	97 6 10	2 13 2	1818	4 0 0	97 6 10	2 13 2
1808	4 0 0	97 6 10	2 13 2	1819	4 1 6	95 11 0	4 9 0
1809	4 0 0	97 6 10	2 13 2	1820	3 19 11	97 8 0	2 12 0
1810	4 10 0	86 10 6	13 9 6	1821	3 17 10½	100 0 0	Nil.

COINING. — This operation was originally performed by the metal being placed between two steel dies struck by a hammer. In 1553, a mill was invented by Antonie Brucker, and introduced into England, in the year 1562. An engine for coining was invented by Balancier, in 1617. The great improvements of the art were effected by Boulton and Watt, at Soho, in 1788, and subsequently. The art was rendered perfect by the creation of the present costly machinery at the Mint in London, commenced in 1811. — *Haydn.*

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GOLD COINS OF DIFFERENT COUNTRIES. — A TABLE CONTAINING THE ASSAYS, WEIGHTS, AND VALUES OF THE PRINCIPAL GOLD COINS OF ALL COUNTRIES, COMPUTED ACCORDING TO THE MINT PRICE OF GOLD IN ENGLAND, AND FROM ASSAYS MADE BOTH AT LONDON AND PARIS, WHICH HAVE BEEN FOUND TO VERIFY EACH OTHER.

The London Assays in this Table have been made by Robert Bingley, Esq., the King's Assay Master of the Mint, and those at Paris by Pierre Frederic Bonneville, Essayeur du Commerce, as published in his elaborate work on the coins of all nations.

Specimens of all the foreign coins brought to London for commercial purposes have been supplied for this Table from the Bullion Office, Bank of England, by order of the Bank Directors, and have been selected by John Humble, Esq., the chief of that office, who also examined the Tables in their progress. It may likewise be added, that the Mint Reports of these commercial coins are chiefly from average assays; and that all the computations have been carefully verified by different calculators. (Note by Dr. Kelly to the second edition of the *Cambist*, published in 1821.)

Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Gold.*	*Value in Sterling.*
		car. gr.	*dts. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
Austrian Dominions	Souverain,	W. 0 0½	3 11	3 13 15	78·6	13 10·92
	Double Ducat,	B. 1 2½	4 12	4 20 5	106·4	18 9·97
	Ducat Kremnitz, Hungar'n.	B. 1 3	2 5½	2 10 3	53·3	9 5·91
Bavaria.	Carolin,	W. 3 2	6 5½	5 5 10	115	20 4·23
	Max d'or, or Maximilian,	W. 3 2½	4 4	3 14 0	77	13 7·44
	Ducat,	B. 1 2½	2 5½	2 19 11	52·8	9 4·12
Berne.	Ducat, (double in prop'n.)	B. 1 1½	1 23	2 2 1	45·9	8 1·48
	Pistole,	W. 0 1½	4 21	4 19 0	105·5	18 7·86
Brunswick.	Pistole (double in prop.),	W. 0 1½	4 21½	4 19 5	105·7	18 8·48
	Ducat,	B. 1 0½	2 5½	2 8 9	51·8	9 2
Cologne.	Ducat,	B. 1 2	2 5½	2 9 8	52·6	9 3·70
Denmark.	Ducat current,	W. 0 3½	2 0	1 21 19	42·2	7 5·62
	Ducat specie,	B. 1 2	2 5½	2 9 8	52·6	9 3·70
	Christian d'or,	W. 0 1	4 7	4 5 16	93·3	16 6·14
England.	Guinea,	Stand.	5 9½	5 9 10	118·7	21 0
	Half Guinea,	Stand.	2 16¾	2 16 15	59·3	10 6
	Seven Shilling Piece,	Stand.	1 19	1 19 0	39·6	7 0
	Sovereign,	Stand.	5 3¼	5 5 5	113·1	20 0
France.	Double Louis (before 1786),	W. 0 2	10 11	10 5 6	224·9	39 9·64
	Louis,	W. 0 2	5 5½	5 2 12	112·4	19 10·71
	Double Louis (since 1786),	W. 0 1½	9 20	9 15 19	212·6	37 7·53
	Louis,	W. 0 1½	4 22	4 19 19	106·3	18 9·75
	D'ble Napoleon or 40 francs	W. 0 1½	8 7	8 3 0	179	31 8·36
	Napoleon, or 20 francs,	W. 0 1½	4 3½	4 1 10	89·7	15 10·5
	New Louis (double, &c.) same as the Napoleon,					
Frankfort-on-the-Maine.	Ducat,	B. 1 2½	2 5½	2 9 14	52	9 4·34
Geneva.	Pistole, old,	W. 0 2	4 7½	4 4 18	92·5	16 4·45
	Pistole, new,	W. 0 0½	3 15½	3 15 4	80	14 1·9
Genoa.	Sequin,	B. 1 3½	2 5⅔	2 10 6	53·4	9 5·41
Hamburgh.	Ducat (double in prop.),	B. 1 2½	2 5½	2 9 14	52·9	9 4·35
Hanover.	George d'or,	W. 0 1½	4 6½	4 5 3	92·6	16 4·66
	Ducat,	B. 1 3½	2 5½	2 10 3	53·3	9 5·19
	Gold Florin (d'ble in prop.),	W. 3 0½	2 2	1 18 6	39	6 10.83
Holland.	Double Ryder,	Stand.	12 21	12 21 0	283·2	50 1·46
	Ryder,	Stand.	6 9	6 9 0	140·2	24 9·75
	Ducat,	B. 1 2½	2 5½	2 9 12	52·8	9 4·13

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Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Gold.*	*Value in Sterling.*
		car. gr.	*dwt. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
Malta.	Double Louis, . .	W. 1 3¼	10 16	9 18 18	215·3	38 1·25
	Louis, ...	W. 1 3	5 8	4 21 16	108	19 1·37
	Demi Louis, . . .	W. 1 2¼	2 16	2 11 3	54·5	9 7·75
Milan.	Sequin, ...	B. 1 3	2 5¾	2 10 0	53·2	9 4·98
	Doppia or Pistole, . .	W. 0 1	4 1½	4 0 8	86·4	15 7·74
	Forty Lire piece of 1808,	W. 0 1¾	8 8	8 4 0	179·7	31 9·64
Naples.	Six Ducat piece of 1783,	W. 0 2¼	5 16	5 12 18	121·9	21 6·89
	Two Ducat, or Sequin 1762,	W. 1 2¾	1 20½	1 16 6	37·4	6 7·43
	Three Ducat, or Oncetta of 1818,	B. 1 3¾	2 10½	2 15 1	56·1	10 3·40
Netherlands.	Gold Lion, or 14 Florins,	Stand.	5 7¾	5 7 16	117·1	20 8·69
	Ten Florin piece (1820),	W. 0 1¾	4 7¾	4 5 15	93·2	16 5·93
Parma.	Quadruple Pistole, .	W. 1 0	18 9	17 12 18	386	68 3·78
	Pistole or Doppia of 1787,	W. 0 3	4 14	4 10 4	97·4	17 2·85
	Ditto of 1796, . .	W. 1 0½	4 14	4 8 14	96·9	16 11·67
	Maria Theresa (1818), .	W. 0 1¾	4 3½	4 1 10	89·7	15 10·5
Piedmont.	Pistole coined since 1785,	W. 0 1½	5 20	5 17 0	125·6	22 2·75
	Sequin (¼ in proportion),	B. 1 2¾	2 5¾	2 9 12	52·9	9 4·34
	Carlino, coined since 1785,	W. 0 1½	29 6	28 20 0	634·4	112 3·33
	Piece 20 Pcs, or Marengo,	W. 2 0	4 3½	3 18 4	82·7	14 7·63
Poland.	Ducat, ...	B. 1 2¼	2 5¾	2 9 12	52·9	9 4·34
Portugal.	Dobraon of 24,000 rees, .	Stand.	34 12	34 12 0	759	134 3·96
	Dobra of 12,800 rees, .	Stand.	18 6	18 6 0	401·5	71 0·70
	Moidore or Lisbonine, .	Stand.	6 22	6 22 0	152·2	26 11·24
	Piece of 16 testoons, or 1,600 rees, . . .	W. 0 0¾	2 6	2 5 14	49·3	8 8·70
	Old Crusado of 400 rees,	W. 0 0¾	0 15	0 14 18	13·6	2 4·98
	New Crusado of 480 rees,	W. 0 0¾	0 16½	0 16 2	14·8	2 7·43
	Milree (coined 1755),	Stand.	0 19¾	0 19 15	18·1	3 2·44
Prussia.	Ducat of 1748, . .	B. 1 2¾	2 5¾	2 9 14	52·9	9 4·34
	Ducat of 1787, . .	B. 1 2	2 5¾	2 9 6	52·6	9 3·71
	Frederick (double) 1769,	W. 0 1¾	8 14	8 9 18	185	32 8·90
	Frederick (single) 1778,	W. 0 1¾	4 7	4 5 4	92·8	16 5·06
	Frederick (double) 1800,	W. 0 2	8 14	8 9 6	184·5	32 7·84
	Frederick (single) 1800,	W. 0 2	4 7	4 4 13	92·2	16 3·42
Rome.	Sequin (coined since 1760)	B. 1 3¾	2 4¾	2 9 0	52·2	9 2·86
	Scudo of the Republic,	W. 0 1¾	17 0¾	16 16 6	367	64 11·43
Russia.	Ducat of 1796, . .	B. 1 2¾	2 6	2 10 0	53·2	9 4·98
	Ducat of 1763, . .	B. 1 2	2 5¾	2 9 8	52·6	9 3·71
	Gold ruble of 1756, .	Stand.	1 0¾	1 0 10	22·5	3 11·78
	Ditto of 1799, . .	W. 0 0¾	0 18¾	0 18 14	17·1	3 0·31
	Gold Poltin of 1777, .	Stand.	0 9	0 9 0	8·2	1 5·41
	Imperial of 1801, . .	B. 1 2¾	7 17¾	8 6 8	181·9	32 2·31
	Half Imperial of 1801, .	B. 1 2¾	3 20¾	4 3 4	90·9	16 1·05
	Ditto of 1818, . .	B. 0 0¾	4 3¾	4 3 12	91·3	16 1·98
Sardinia.	Carlino (¼ in proportion),	W. 0 2¾	10 7½	9 23 16	219·8	30 8·10
Saxony.	Ducat of 1784, . .	B. 1 2	2 5¾	2 9 8	52·6	9 3·71
	Ducat of 1797, . .	B. 1 2¾	2 5¾	2 9 14	52·9	9 4·34
	Augustus of 1754, . .	W. 0 2¾	4 6¾	4 3 8	91·2	16 1·60
	Augustus of 1784, . .	W. 0 1¾	4 6¾	4 4 12	92·2	16 3·81

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Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Gold.*	*Value in Sterling.*
		car. gr.	*dwt. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
Sicily.	Ounce of 1751, . .	W. 1 2½	2 20½	2 15 8	58·2	10 3·60
	Double Ounce of 1753, .	W. 1 2	5 17	5 7 14	117	20 6·48
Spain.	Doubloon of 1772, . .	W. 0 2½	17 8½	61 21 16	372	65 10·05
	Quadruple Pistole of 1801,	W. 1 1	17 9	16 9 6	360·5	63 9·62
	Pistole of 1801, . .	W. 1 1	4 8½	4 2 6	90·1	15 11·35
	Coronilla, gold dol. of 1801,	W. 1 2½	1 3	1 0 18	22·8	4 0·42
Sweden.	Ducat, ...	B. 1 2	2 5	2 8 12	51·9	9 2·22
Switzerland.	Pistole, Helvetic, of 1800,	W. 0 1½	4 21½	4 19 9	105·9	18 8·91
Treves.	Ducat, ...	B. 1 2	2 5½	2 9 8	52·6	9 3·71
Turkey.	Sequin of 1773, . .	W. 2 2½	2 5½	1 23 6	43·3	7 7·94
	Sequin fonducli, 1789, .	W. 2 3½	2 5½	1 22 16	42·9	7 7·11
	Halfmisseir (1818), .	W. 5 3½	0 18½	0 13 5	12·16	2 1·82
	Sequin fonducli, . .	W. 2 3	2 5	1 22 7	42·5	7 6·26
	Yermeebeshlek, . .	B. 0 3½	2 1½	3 4 13	70·3	12 5·30
Tuscany.	Zecchino or sequin, .	B. 1 3½	3 5½	2 10 14	53·6	9 5·83
	Ruspone of Etruria, .	B. 1 3½	6 17½	7 7 18	161	28 5·93
U. States.	Eagle (½ and ¼ in prop.),	W. 0 0½	11 6	11 4 8	246·1	43 6·66
Venice.	Zecchino or sequin, .	B. 1 3½	2 6	2 10 10	53·6	9 5·83
Wirtemb'gh.	Carolin, . . .	W. 3 2	6 3½	5 4 0	113·7	20 1·47
	Ducat, . . .	B. 1 2	2 5	2 8 12	51·9	9 2·22
Zurich.	Ducat, ...	B. 1 2	2 5½	2 9 8	52·6	9 3·71
	EAST INDIES.					
East India.	Rupee, Bombay (1818),	B. 0 0½	7 11	7 11 13	164·7	29 1·78
	Rupee of Madras (1818),	Stand.	7 12	7 12 0	165	29 2·42
	Pagoda, Star, . .	W. 3 0	2 4½	1 21 11	41·8	7 4·77

SILVER COINS OF DIFFERENT COUNTRIES. — A TABLE CONTAINING THE ASSAYS, WEIGHTS, AND VALUES OF THE PRINCIPAL SILVER COINS OF ALL COUNTRIES, COMPUTED AT THE RATE OF 5*s.* 2*d.* PER OUNCE STANDARD, FROM ASSAYS MADE BOTH AT THE LONDON AND PARIS MINTS.

Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Silver.*	*Value in Sterling.*
		oz. dwt.	*dwt. gr*	*dwt. gr. mi.*	*grains.*	*s. d.*
Austria.	Rixdollar Francis II., 1800,	W. 1 5	18 1	16 0 4	355·5	4 1·64
	Rixdollar of Hungary,	W. 1 2	18 1	16 6 1	360·9	4 2·39
	Half-Rixdollar or Florin,	W. 1 3	9 0½	8 2 1	179·6	2 1·07
	Copftsuck or 20 creutzer,	W. 4 3	4 6½	2 16 3	59·4	0 8·29
	17 Creutzer piece,	W. 4 8	4 0	2 9 18	53·5	0 7·47
	Halbe copf, or 10 creutzer,	W. 5 5	2 11	1 7 1	28·8	0 4·01
Baden.	Rixdollar,	W. 1 4	18 2	16 3 1	358·1	4 2
Bavaria.	Rixdollar of 1800 (¼ in pro),	W. 1 4½	17 12	15 13 13	345·6	4 0·25
	Copftsuck,	W. 4 3	4 6½	2 16 3	59·4	0 8·29
Bern.	Patagon or crown,	W. 0 7	18 22	18 7 14	406·7	4 8·79
	Piece of 10 Batzen,	W. 1 2	5 3	4 14 17	102·5	1 2·31
Bremen.	Piece of 48 Grotes,	W. 2 2	11 0	8 22 1	198	2 3·64
Brunswick.	Rixdollar, *Convention*,	W. 1 3	18 1	16 4 4	359·2	4 2·15
	Half-rixdollar,	W. 1 3	9 0½	8 2 2	179·6	2 1·07
	Gulden, of ⅔, fine, 1764,	B. 0 16	8 10½	9 1 1	200·8	2 4·03
	Gulden, common, of 1764,	W. 1 2	9 0	8 2 10	180	2 1·13

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Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Silver.*	*Value in Sterling.*
		oz. dwt.	*dwt. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
	Gulden, ditto, of 1795,	W. 2 2	11 1½	8 23 7	199·1	2 3·80
	Half-Gulden, of ½, of 1764,	W. 1 2	4 12	4 1 5	90	1 0·56
Denmark.	Ryksdaler, specie of 1798,	W. 0 13	18 14	17 11 17	388·4	4 6·23
	New piece of 4 marks,	W. 0 12	12 9	11 16 14	259·8	3 0·27
	Half-ryksdaler,	W. 0 13	9 7	8 17 8	194·2	2 3·11
	Mark, specie, ⅛ ryksdaler,	W. 3 1	4 0	2 21 12	64·4	0 7·59
	Rixd'lr, Sleswig & Holst'n,	W. 0 12	18 13	17 12 6	389·4	4 6·37
	Piece of 24 skillings,	W. 4 7	5 2½	3 2 10	68·9	0 9·62
England.	Crown (old),	Stand.	19 8½	19 8 10	429·7	5 0
	Half-crown,	Stand.	9 16¼	9 16 5	214·8	2 6
	Shilling,	Stand.	3 21	3 21 0	85·9	1 0
	Sixpence,	Stand.	1 22½	1 22 10	42·9	0 6
	Crown (new),	Stand.	18 4½	18 4 7	403·6	4 8·36
	Half-crown,	Stand.	9 2	9 2 4	201·8	2 4·18
	Shilling,	Stand.	3 15½	3 15 6	80·7	0 11·27
	Sixpence,	Stand.	1 19¾	1 19 14	40·3	0 5·63
France.	Ecu of 6 livres,	W. 0 7	18 18	18 7 16	403·1	4 8·28
	Demi ecu,	W. 0 7	9 9	9 1 18	201·5	2 4·13
	Piece of 24 sous,	W. 0 7	3 20	3 16 19	83·4	0 11·64
	Piece of 30 sous,	W. 3 8	6 12	4 12 4	100·2	1 1·99
	Piece of 5 francs, Convn't.	W. 0 10½	16 0	15 5 14	338·3	3 11·24
	Piece of 5 francs, of 1808,	W. 0 7	16 1	15 12 4	344·9	4 0·16
	Piece of 2 francs, of 1808,	W. 0 7	6 11	6 6 2	138·8	1 7·38
	Franc of 1809,	W. 0 7	3 5½	3 3 1	69·4	0 9·69
	Demi franc,	W. 0 8½	1 15	4 13 6	34·7	0 4·84
	Franc (Louis) of 1818, same as franc of 1809.					
Geneva.	Patagon,	W. 1 0	17 9	15 19 8	351	4 1·03
	Piece of 15 sous of 1794,	W. 2 6	2 1½	1 15 1	36·1	0 5·04
Genoa.	Scudo, of 8 lire, of 1796,	W. 0 8	21 9	20 14 10	457·4	5 3·87
	Scudo of Ligurian Repub.,	W. 0 9½	21 9	20 11 2	454·3	5 3·43
Hamburgh.	Rixdollar, specie,	W. 0 10	18 18	17 21 12	397·5	4 7·49
	Double mark, 32 schillings	W. 2 3	11 18	9 11 8	210·3	2 5·36
	Piece of 8 schillings,	W. 3 12	3 8¼	2 6 4	50·1	0 6·99
	Piece of 4 schillings,	W. 4 6	2 2	1 6 12	28·3	0 3·95
Hanover.	Rixdollar, Constitution,	W. 0 9	18 19	18 0 14	400·3	4 7·89
	Florin, or piece of ⅓, fine,	B. 0 16	8 10	9 0 10	200·3	2 3·96
	Half-Florin, ditto. ⅙, do.,	B. 0 16	4 4	4 11 4	99·2	1 1·85
	Quarter, do. 6 groschen, do.	B. 0 16	2 1	2 4 10	48·6	0 6·78
Hanover.	Florin, or piece of ⅓, base,	W. 2 1	11 0⅔	8 23 15	199·6	2 3·67
Hesse Cassel.	Rixdollar, Convention,	W. 1 6	18 1	15 22 6	353	4 1·39
	Florin, or piece of ⅓,	W. 1 6	9 0½	7 23 3	176·8	2 0·68
	Thaler of 1789,	W. 0 10½	12 7½	11 17 5	259·7	3 0·26
	Ecu, *Convention*, (1815),	W. 1 6	17 23¾	15 21 2	349·3	4 0·77
	Bon Gros,	W. 6 14	1 4	0 11 5	10·3	0 1·43
Holland.	Ducatoon,	B. 0 3	20 22	21 4 15	471·6	5 5·85
	Piece of 3 florins,	W. 0 2	20 7	20 2 12	446·4	5 2·33
	Rixdollars (the assay vary)	W. 0 16	18 6	16 20 8	375·9	4 4·99
	Half-rixdollar,	W. 0 16	9 0	8 8 8	185·4	2 1·89
	Florin or guilder(⅛ in pro),	W. 0 4½	6 18	6 14 14	146·8	1 8·49

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		oz. dwt.	*dwt. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
Holland.	12 Stiver piece,	W. 0 16½	4 12	4 3 18	92·4	1 0·90
	Florin of Batavia,	W. 0 5½	6 13	6 9 2	141·6	1 7·77
	Rixdollar, 50 stv'rs, Holl'd,	W. 0 5½	17 0	16 13 18	367·9	4 8·37
Lubec.	Rixdollar, specie,	W. 0 13	18 18	17 15 12	391·9	4 6·72
	Double mark,	W. 2 3	11 18	9 11 8	210·3	2 5·36
	Mark,	W. 2 3	5 21	4 17 14	105·1	1 2·67
Lucca.	Scudo,	W. 0 3	17 0	16 18 10	372·3	4 3·98
	Barbone,	W. 3 3	1 20½	1 7 14	29·3	0 4·09
Malta.	Ounce of 30 tarl,	W. 2 5	19 1½	15 4 14	337·4	3 11·11
	2 Tari piece,	W. 2 19	1 2	0 19 2	17·7	0 2·47
Milan.	Scudo of 6 lire (½ in prop.),	W. 0 7	14 20½	14 9 10	319·6	3 8·62
	Lira, new,	W. 4 10	4 0	2 9 0	52·8	0 7·37
	Lira, old,	W. 0 3	2 10	2 9 4	52·9	0 7·38
	Scudo of Cisalpine Repub.,	W. 0 7	14 21½	14 10 4	320·2	3 8·71
	Piece of 30 soldi of ditto.,	W. 2 18	4 17	3 11 8	77·2	0 10·78
Modena.	Scudo of 15 lire 1739,	W. 0 14	18 12½	17 8 9	385·2	4 5·78
	" of 5 lire of 1782,	W. 0 3	5 19	5 17 2	126·8	1 5·70
	" of 1796,	W. 3 3	18 1½	12 22 12	287·4	3 4·13
Naples.	Ducat, new (½ in prop.),	W. 1 0	14 15	13 7 8	295·4	3 5·24
	Piece of 12 Carlini of 1791,	W. 1 0	17 15	16 0 18	366	4 1·71
	" of 1696,	W. 1 2	17 16⅔	15 22 12	353·9	4 1·41
	" of 1805 (½ in prop.),	W. 1 2	17 18½	15 23 18	355·2	4 1·60
	" of 10 Carlini (1818),	W. 1 2	14 18	13 7 0	296·1	3 5·20
Netherlands.	Ducatoon, old,	B. 0 4	21 0	21 9 0	474·6	5 6·27
	Ducatoon of Maria Theres.	W. 0 14	21 10	20 1 12	445·5	5 2·20
	Crown (¼ &c. in prop),	W. 0 14	19 0	17 19 4	396·2	4 7·18
	5 Stiver piece,	W. 6 3	3 4	1 9 18	31·3	0 4·37
	Florin of 1790,	W. 0 14	5 23½	5 14 9	124·3	1 5·35
	Florin of 1816,	W. 0 7½	6 22	6 16 6	148·4	1 8·72
	Half florin,	W. 4 5½	3 11	3 9 2	75·0	0 10·46
Parma.	Ducat of 1784,	W. 0 9	16 11	15 18 18	350·6	4 0·95
	Ducat of 1796 (½ in prop.),	W. 0 5½	16 12⅔	16 2 18	357·9	4 1·97
	Piece of 3 lire,	W. 1 4	4 14	4 2 2	90·7	1 0·66
Piedmont.	Scudo (1755) ½ &c. in prop.	W. 0 5½	22 14	22 0 10	488·9	5 8·26
	Scudo (1770) ½ & ¼ in prop.	W. 0 5	22 14	22 1 16	490·0	5 8·42
	Piece of 2 lire (1714),	W. 0 4½	7 20½	7 16 13	170·8	1 11·85
	5 franc piece (1801),	W. 0 8	16 1⅛	15 11 12	343·7	3 11·99
Poland.	Rixdollar, old,	W. 1 2	18 1	16 6 0	360·8	4 2·38
	Rixdollar, new (1794),	W. 2 17	15 10½	11 11 6	254·3	2 11·51
	Florin, or gulden,	W. 4 2	6 0	3 18 16	84·0	0 11·72
Portugal.	New Crusado (1690),	W. 0 4	11 0	10 19 0	239·2	2 9·40
	" (1718),	W. 0 6½	9 8	9 1 0	200·2	2 3·95
	" (1795),	W. 0 7	9 9	9 1 18	201·6	2 4·15
	Doze vintems, or 240 rees,	W. 0 7	4 16	4 12 10	100·4	1 2·01
	Testoon (1799),	W. 0 7	2 0½	1 22 18	43·4	0 6·06
	New crusado (1809),	W. 0 4	9 3	8 23 0	198·2	2 4·67
	Seis vintems, or 120 rees,	W. 0 9	2 4½	2 2 8	46·6	0 6·50
	Testoon (1802),	W. 0 9	2 0	1 22 0	42·5	0 5·93
	Tres vintems, or 60 rees,	W. 0 9	1 2½	1 1 4	23·3	0 3·25
	Half testoon (1802),	W. 0 9	0 23	0 22 0	20·4	0 2·84

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		oz. dwt.	*dwt. gr.*	*dwt. gr. mi.*	*grains.*	*s. d.*
Portuguese Colonies.	Piece of 8 macutes, Africa,	W. 0 9	7 12	7 4 14	159·8	1 10·31
	" of 6 " "	W. 0 9	5 13	5 7 12	118·0	1 4·47
	" of 4 " "	W. 0 9	3 16	3 12 8	78·1	0 10·90
Prussia.	Rix dollar, Prussian cur.,	W. 2 5	14 6½	11 9 0	252·6	2 11·27
	Rixdollar, *Convention*,	W. 1 3	18 1	16 4 2	359·0	4 2·13
	Florin, or piece of ⅔,	W. 2 3	11 2	8 22 8	198·4	2 3·70
	Florin of Silesia,	W. 2 2	9 11	7 16 0	170·3	1 11·78
	Drittel, or 8 good groschen,	W. 3 3	5 8½	3 20 4	85·3	0 11·91
	Piece of 6 groschen.	W. 2 8	3 14	2 19 6	62·3	0 8·69
Rome.	Scudo, or crown,	W. 0 4	17 1	16 17 13	371·5	4 3·87
	Mezzo scudo or half-crown,	W. 0 4	8 12½	8 8 16	185·7	2 1·93
	Testone (1785),	W. 0 5	5 2	4 23 4	110·3	1 3·40
	Paolo (1785),	W. 0 4	1 17	1 16 4	37·2	0 5·19
	Grosso or half-paolo (1785),	W. 0 5	0 20½	0 20 0	18·5	0 2·58
	Scudo of the Roman Rep.,	W. 0 6	17 1	16 13 18	368·1	4 3·40
Russia.	Ruble of Peter the Great,	W. 2 7	18 1	14 1 8	312·1	3 7·56
	Ditto of Catherine I.(1725),	W. 2 4½	17 11	13 23 0	309·9	3 7·27
	Ditto of Peter II. (1727),	W. 2 12	18 6½	13 23 4	310·0	3 7·28
	Ditto of Anne (1734),	W. 1 11	16 14½	14 6 16	317·2	3 8·29
	Ditto of Elizabeth (1750),	W. 1 7	16 12	14 11 16	321·8	3 8·93
	Ditto of Peter III. (1762),	W. 2 2	15 10	12 12 0	277·5	3 2·75
	Ditto of Catherine II.(1780)	W. 2 4	15 12	12 10 6	275·9	3 2·52
	Ditto of Paul (1799),	W. 0 14	13 12	12 15 10	280·8	3 3·21
	Ditto of Alexander (1802),	W. 0 13	13 1½	17 7 2	273·0	3 2·12
	Ditto of ditto. (1805),	W. 0 16	13 12	12 12 12	278·1	3 2·83
	20 Copeck piece (1767),	W. 2 2	3 10½	2 19 0	62·6	0 8·74
	Ditto (1784),	W. 2 2	3 3	2 12 18	56·2	0 7·84
	15 Copeck piece (1778),	W. 2 2	2 6	1 19 18	40·5	0 5·65
	10 Copeck Piece,	W. 2 6	2 1	1 14 16	36·9	0 5·11
	Ditto (1798),	W. 0 14½	1 9	1 6 16	28·5	0 3·97
	Ditto (1802),	W. 0 13	1 8½	1 6 11	28·3	0 3·95
	5 Copeck piece (1801),	W. 0 13½	0 16½	0 15 10	15·3	0 2·13
Sardinia.	Scudo or crown (¼ &c. pro)	W. 0 7	15 2½	14 15 0	324·7	3 9·34
Saxony.	Rixdollar, *Convention*,	W. 1 3	18 0	16 3 4	356·2	4 2·01
	Piece 16 groschen, Leipsic,	W. 2 2	9 9½	7 4 16	169·1	1 11·61
	Rixdollar cr'nt Saxe Gotha	W. 4 4½	18 1	11 4 2	248·1	2 10·64
	⅓ Thaler of 1804,	W. 4 11	3 11	2 0 19	45·3	0 6·32
	Ditto of 1808,	W. 4 11½	3 5½	1 21 8	42·1	0 5·87
	Ditto of Jerome Bonaparte,	W. 5 4	3 17	1 23 6	43·7	0 6·10
Sicily.	Scudo (½ in proportion),	W. 1 4	17 14	15 16 6	348·2	4 0·62
	Piece of 40 grains,	W. 1 2	5 21	5 7 2	117·5	1 4·40
Spain.	Dollar of late coinage,	W. 0 8	17 8	16 17 0	370·9	4 3·79
	Half-dollar, ditto,	W. 0 8	8 16	8 8 10	185·4	2 1·88
	Mexican peceta (1774),	W. 0 8	4 7½	4 3 16	92·3	1 0·88
	Real of Mex'cn plate(1775)	W. 0 8	2 3½	2 1 20	46·1	0 6·43
	Peceta provin'cl of 2 reals,	W. 1 9½	3 18	3 6 0	72·2	0 10·08
	Real of new plate (1795),	W. 1 9½	1 21	1 15 0	36·1	0 5·04
Sweden.	Rixdollar (1762),	W. 0 12	18 20	17 19 10	396·5	4 7·22
	Rixdollar of late coinage,	W. 0 14½	18 17	17 12 0	388·5	4 6·28
Switzerland.	Ecu or rixdl'r of Lucerne,	W. 0 14½	17 8½	16 5 8	360·1	4 2·28

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Denomination of Coins.		*Assay.*	*Weight.*	*Standard Weight.*	*Cont'ts in pure Silver.*	*Value in Sterling.*
		oz. dwt.	*dwt. gr*	*dwt. gr. mi.*	*grains.*	*s. d.*
Switzerland.	Old gulden, Lucerne (1714)	W. 1 19	8 14½	7 2 8	157·5	1 9·99
	Ecu of 40 batzen, Lucerne,	W. 0 5	19 0	18 13 14	412·3	4 9·57
	Half ditto.,	W. 1 2	9 20	8 20 12	196·7	2 3·46
	Florin, or 40 schillings,	W. 1 5	4 22	4 8 14	96·8	1 1·51
	Ecu, 40 batzen, Helv. Rep.	W. 0 6	18 23	18 10 14	409·5	4 9·16
	Ecu of 4 Franken (1801),	W. 0 7	18 23	18 8 12	407·6	4 9·18
Turkey.	Piastre of Selim, of 1801,	W. 5 6	8 6	4 7 8	95·7	1 1·36
	Piastre of Crim Tartary,	W. 6 13	10 5	4 2 4	90·9	1 0·69
	Piastre of Tunis (1787),	W. 6 5½	10 0	4 8 6	96·5	1 1·47
	Piastre (1818),	W. 5 14	6 6½	3 1 4	67·7	0 9·45
Tuscany.	Piece of 10 paoli of Etruria	W. 0 4	17 13½	17 5 18	382·9	4 5·46
	Scudo pisa of ditto (1803),	W. 0 2	17 12	17 8 4	385·0	4 5·76
	Piece of 10 lire ditto (1803),	B. 0 7	25 6	26 1 12	578·7	6 8·80
	Lira (1803),	B. 0 7	2 8	2 9 16	53·4	0 7·45
U. States.	Dollar, (1795) ½ &c. in pro.	W. 0 6½	17 8	16 19 16	373·5	4 4·15
	Dollar (1798),	W. 0 7	17 10½	16 21 6	374·9	4 4·35
	Dollar (1802),	W. 0 10½	17 10	16 14 0	368·3	4 3·42
	Dollar, average of 8 years,	W. 0 8½	17 8	16 16 0	370·1	4 3·68
	Dime or 1-10th d'lr. (1796),	W. 0 4	1 19½	1 18 14	39·5	0 5·71
	Half dime (1796),	W. 0 7	0 21¾	0 21 0	19·5	0 2·72
Venice.	Piece of 2 lire, 24 creutzers,	W. 8 4½	5 19½	1 12 2	33·4	0 4·66
	Ditto. moneta provinciale,	W. 8 3	5 13½	1 11 8	32·8	0 4·58
	Ditto of 2 lire (1802),	W. 8 4	5 6½	1 8 19	30·5	0 4·25
Wirtemb'gh.	Rixdollar, specie,	W. 1 3	18 1	16 14 2	359·1	4 2·14
	Copftsuck,	W. 4 2	4 16½	2 16 12	59·8	0 8·35
	EAST INDIES.					
East India.	Rupee of Sicca, by E. I. Co.	B. 0 13	7 11½	7 22 0	175·8	2 0·54
	Rupee of Calcutta (1818),	Stand.	8 0	8 0 0	175·9	2 0·56
	Rupee of Bombay (1818),	W. 0 0½	7 11	7 10 4	164·7	1 11·01
	Fanam, Cananore,	W. 0 0½	1 11¾	1 11 10	32·9	0 4·5
	Fanam, Bombay, old,	B. 0 13	1 11¾	1 13 16	35·0	0 4·88
	Fanam, Pondicherry,	B. 0 5½	1 0½	1 1 2	22·8	0 3·18
	Fanam, ditto, double,	W. 0 3	1 18¾	1 18 2	39·0	0 5·44
	Gulden, Dutch E. India Co.	W. 0 7½	6 22	6 16 6	148·4	1 8·72

COURSE OF EXCHANGE.

London receives from or gives to

Amsterdam	12	3 Florins and Stivers	for	1 £ Sterling.
Hamburg	13	12 Mks and Schill.	"	1 £ Sterling.
Paris	25	50 Francs and Cents	"	1 £ Sterling.
Frankfort		121 Z. V. Florins	"	1 £ Sterling.
Vienna	10	2 Florins and Kreuz.	"	1 £ Sterling.
Genoa	25	35 Lire and Centisimi	"	1 £ Sterling.
Berlin	6	25 Dollars and Silver Gros.	"	1 £ Sterling.
Milan	30	30 Lire A. and Cent.	"	1 £ Sterling.
Leghorn	30	50 Lire Tosc. and Cent.	"	1 £ Sterling.
Lisbon	53¼	Pence Sterling for	1 Milreis.	
Madrid	47	Pence "	1 Peso of Exchange.	
Gibraltar	48½	Pence "	1 Hard Dollar.	
Naples	39⅝	Pence "	1 Ducat.	
Palermo	119¼	Pence "	1 Onza.	

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MISCELLANEOUS.

MINT STATEMENT. — *Appendix to page* 384.

The amount of coin paid into the treasury at New York, during the year ending the 1st of January, 1850, is estimated at		$ 25,665,812
Paid into the treasury at Philadelphia during the same period,		3,136,389
Excess in favor of New York,		$ 22,529,423
Amount of gold and silver in the banks of the city of New York, on the 1st of January, 1850,		$ 6,897,000
Banks in Philadelphia, 8th November, 1849,		4,058,946
In favor of New York,		2,838,054
Amount of revenue paid into the treasury at New York for the fiscal year ending the 30th of June, 1850, exclusive of hospital money,		$ 24,787,053
At Philadelphia, during the same period,		3,020,289
Difference in favor of New York,		$ 21,766,764
Value of exports of all kinds from the port of New York, for the fiscal year ending the 30th of June, 1850, viz.: —		
Domestic,	$ 35,265,359	
Foreign,	5,117,614	
Specie and bullion,	5,951,136	
		$ 46,334,110
Exported from Philadelphia during the same period, viz.: —		
Domestic,	$ 3,942,132	
Foreign,	297,889	
Specie,	260,691	
		4,500,712
Excess in favor of New York,		$ 41,833,398
Value of imports into the port of New York, for the fiscal year ending the 30th of June, 1850, viz.: —		
Dutiable,	$ 97,655,241	
Free of duty,	9,456,596	
Specie and bullion,	10,414,088	
		$ 117,525,925
Imports into Philadelphia during the same period, viz.: —		
Dutiable,	$ 10,413,276	
Free,	1,161,189	
Specie and bullion,	41,336	
		11,615,801
In favor of New York,		$ 105,910,124
Amount of coin in the treasury at New York on the 31st of August, 1850,		$ 7,066,584.43
Amount of coin in the treasury at Philadelphia, on the 31st of August, 1850,		1,333,572.55
In favor of New York,		$ 5,732,011.88

The coin and bullion exported from the port of New York during the fiscal year ending the 30th of June, 1850, amounted to $ 5,951,137, the

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greater part of which was most probably in bullion, *seeking a cheaper coinage*, at the same time doing its part in the equalization of exchanges between this country and Europe.

Amount of gold dust entered at the Custom-house in the port of New York, from the 1st of January to the 1st of August, 1850 (seven months), viz.: —

January 19,	per steamer California,	$ 320,169
February 9,	per steamer Empire City,	1,170,255
" 16,	per steamer Cherokee,	204,701
March 9,	per steamer Empire City,	6,000
March 12,	per steamer Georgia,	791,127
" 12,	per steamer Cherokee,	280,184
" 28,	per steamer Crescent City,	6,846
April 6,	per steamer Cherokee,	1,004,085
" 9,	per steamer Georgia,	4,000
" 25,	per steamer Ohio,	224,832
May 24,	per steamer Philadelphia,	622,750
June 11,	per steamer Cherokee,	1,152,860
July 6,	per steamer Philadelphia,	1,942,220
" 24,	per steamer Empire City,	22,000
" 24,	per steamer Cherokee,	1,684,299
Amount of bullion imported into New York in 6 months,		9,436,328
Amount of gold coin during the same period,		260,238
Amount of silver coin during the same period,		147,693
Amount of bullion and coin imported into New York in 7 months,		9,844,259
Amount of bullion and coin entered at the Custom-house in Philadelphia in 12 months,		41,336
Difference in favor of New York for the last seven months,		$ 9,802,923

Cheap Postage in Great Britain. — The Post-office returns for 1849, just presented to the House of Commons, embrace, — 1st, the number of letters delivered in the United Kingdom; 2d, the revenue; 3d, the cost of management; 4th, the payment to railways; and, 5th, the number and amount of money orders. We have prepared the following table of these particulars in a condensed form, showing the annual progress which has been made from the date of the old system: —

Year.	Estimated number of letters.	Net revenue, after paying cost of management.	Cost of management.	Payments to Railways (included in cost of management).	Money orders issued.	
					Number.	Amount.
		£	£	£		£
1839,	82,470,596	1,633,764	756,999	52,860	188,921	313,124
1840,	168,768,244	500,789	858,677	52,362	587,797	960,975
1841,	196,500,191	561,249	938,163	96,190	1,552,845	3,127,507
1842,	208,434,451	600,641	977,504	78,464	2,111,980	4,337,177
1843,	220,450,308	640,217	980,650	97,526	2,501,523	5,112,840
1844,	242,091,685	719,957	985,110	92,493	2,806,803	5,695,395
1845,	271,410,793	761,982	1,125,594	181,111	3,176,126	6,413,361
1846,	299,586,263	825,112	1,138,745	110,430	3,515,079	7,071,056
1847,	322,146,244	984,496	1,196,520	121,859	4,031,185	7,903,177
1848,	328,829,185	740,429	1,403,250	318,631	4,203,651	8,151,294
1849,	337,065,867	840,787	1,324,562	230.079	4,248,891	9,152,643

With regard to the column headed Net Revenue, it must be mentioned that the apparent falling off in 1848 and 1849 arises from £ 196,086 having been disbursed in

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1848 for the conveyance of mails by railway in previous years. The great fluctuations in the column headed Payments to Railways arise also from the circumstance that the totals frequently include large sums for work done in previous years. Coupled with these accounts we have a statement of the Money-Order Office for 1849. The total expense for the United Kingdom was £70,248, and, as the amount of commission received was £70,670, the cost of this department was £322 less than its receipts. — *London Times, August* 14, 1850.

THE ROTHSCHILD FAMILY. — Baroness Rothschild died on Thursday, September 5th, at Gunnersbury Park, near Ealing, England. The deceased was in her 68th year, widow of the celebrated capitalist, and third daughter of Mr. L. B. Cohen. Her husband, Nathan Meyer Rothschild, died in 1836, in the 60th year of his age, at Frankfort O. M. There are now six children living, namely, Baron Lionel de Rothschild (Member elect for London), Sir Anthony, Baron Nathaniel, Baron Meyer, Baroness Anselm, and Mrs. Fitzroy.

POPULATION, TAXES, &C. OF GREAT BRITAIN.

AMONG the new matter in Mr. M'Culloch's improved edition of his *Geographical Dictionary*, published in monthly parts, we find the following curious table, at page 471. It is one of a series of statistical tables illustrating the progress of the British Empire; and it sets forth the population, public burdens, trade, produce, and industry "of Great Britain, *exclusive of Ireland*," in the years specified.

	1775.	1798.	1801.	1815.	1848.
Population of Great Britain, ...	8,800,000	10,000,000	10,943,000	13,540,000	21,000,000
Interest of Debt, .	£4,470,000	£9,624,000	£18,500,000 *	£30,300,000	£28,189,000
Public Revenue raised by Taxation, . .	£10,038,000	£17,956,000	£35,500,000	£71,000,000	£54,500,000
Loans, ...	Nil.	£3,926,000	£18,500,000	£40,799,000†	Nil.
Loans and Taxes together, . . .	£10,038,000	£21,881,000	£54,000,000	£111,799,000	53,500,000
Taxes paid by each individual, . . .	22*s.* 9*d.*	35*s.* 10*d.*	64*s.* 10*d.*	104*s.* 10*d.*	50*s.* 11*d.*
Taxes and Loans paid by each individual, . .	22*s.* 9*d.*	43*s.* 11*d.*	98*s.* 8*d.*	165*s.* 1*d.*	50*s.* 11*d.*
Rent of Land, . .	£17,200,000	£22,000,000	£26,000,000	£39,350,000	£45,600,000
Shipping (of United Kingdom), tons, . .	697,304‡	1,564,520	1,855,379	2,681,276	4,052,160
Imports of Cotton, lbs., .	5,000,000	10,040,000	56,004,000	100,000,000	686,400,000
Produce of Iron, tons,	50,000	120,000	180,000	400,000	1,850,000
Produce of Wheat, per acre, bushels, . .	20	24	24⅛	28	32
Price of Wheat, per qr.,	49*s.* 10*d.*	49*s.* 3*d.*	119*s.* 6*d.*	65*s.* 7*d.*	50*s.* 6*d.*
Declared Value of the Exports of British Produce and Manufactures, ...	. . §	. .	£39,731,000	£89,653,000	£58,610,156¶
Efficiency of same Amount of Labor, .	1	1	1 1-10th	1 5-10th	2

* The return for this year includes interest of Irish debt.

† Average of 1814, 1815, and 1816.

‡ Tonnage of Great Britain only. But the tonnage of Ireland and of the Colonies, exclusive of the United States, then in a state of revolt, was quite trifling.

§ The account of the declared value of exports was not taken till 1798; but their *official* value, which was then much nearer to their *real* value than at present, amounted in 1793 to £13,892,268. In 1775 it amounted to £16,326,364; but that includes the value of foreign as well as of native exports, and there are no means of distinguishing the one from the other.

¶ This is the return for 1847, the exports in 1848 being artificially reduced in consequence of the extraordinary Continental convulsions of that year. They amounted in 1849 to £63,319,937.

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Effects of the French Revolution of 1848.— On the whole subject our conclusion, perhaps, may be briefly this: that the catastrophe of February was too exceptional an incident to justify any certain inference as to the comparative character of the institutions overthrown or the merits of those who suffered by the change; but that if we consider it, for argument's sake, as a genuine republican manifestation, suggested and enforced by the real national will, such assumption will exempt the vanquished party from serious culpability. Louis Philippe's ministers were not in the same position as those of our George I. Had they been so, or, in other words, had the whole strength of the *revolutionary* party — that is to say, of the party which prevailed against Charles X. — been at their service in resisting the assaults of the reactionary party, there is every reason to presume that M. Guizot might have been still performing the part of Walpole, and the House of Orleans have been established on the constitutional throne of France, with fewer dangers and troubles than attended the establishment of the House of Hanover in England. But they encountered obstacles of a character altogether novel. They were attacked, not by regular adversaries, not by a party bent on recovering power, but by the votaries of doctrines heretofore unheard of; by men who grounded a right of perpetual insurrection upon the conclusions of political theories, and who, in the silence of their abodes and on the strength of their private speculations, turned into the streets to subvert a government for no other reason than that it was not the government of their own imaginings. The critical question is, whether these extraordinary assaults could ever have thus succeeded against a government founded on the general consent and affection of the people. To this we can only reply, that no government had ever before been subjected to the trial; and we may, perhaps, venture upon adding, that the feelings evinced by the French nation in its hours of reflection furnish something like a proof that the constitutional monarchy was not really so destitute of popular good-will as to have lain, under ordinary circumstances, at the mercy of a mob. Whether, however, from accident or some more controllable cause, it is undeniable that the French Revolution of 1789 – 1830 has failed; but it is likewise evident, in contrasting this failure with the success of our own experiment, that the failure had its origin in liabilities from which we were preserved. Even if the monarchy of July had been the very counterpart of the monarchy of 1688 in every single condition attending its establishment, it would not thereby have been insured against such a shock as that which actually laid it low. We cannot, indeed, think that it was altogether unfavorably constituted; nor do we conceive that it is to *this* revolution that M. Guizot's well-pointed contrasts are meant to apply. In any case, however, the settlement of 1820 would have been equally unacceptable to those sectaries who recognized no essential difference between one monarchy and another, or between any governments which did not happen to represent their own conceptions. Being unacceptable, it would, according to the doctrines and practice of the sect, have been incessantly attacked; whether with less success or not, we cannot affirm. France, as its statesmen and representatives now manfully acknowledge, was "surprised"; and against such an unparalleled incident in the political life of a nation it might, perhaps, have been difficult to guard. After the event, wisdom is learnt easily enough, nor do the French people seem very reluctant to acknowledge the truth. — *Edinburgh Review.*

Large Gold Coins. — An important measure to commerce, in connection with the gold of California, has just been brought forward in the Senate by Mr. Gwin, Senator from that new State. It proposes, virtually, that gold coins of the value of from one hundred to ten thousand dollars each shall be struck at the mint.

The circular form hitherto universally followed for small coins, which had its origin in the rude, ancient contrivances of dropping the melted metal from a ladle, to be then struck with a punch and hammer, adapts them to our purses, but would not be appropriate for these gigantic coins, designed for heavy transactions at home and exchanges abroad. For these purposes they should be rectangular, that they may be convenient for packing in boxes.

These huge rectangular coins are but a valuable and ingenious improvement upon the limited and already existing system of European bankers. They are to be struck of refined gold, of uniform fineness, and with appropriate legends and devices, similar to those upon our smaller coins, with their value conspicuously marked, and the inscriptions LIBERTY and UNITED STATES OF AMERICA. Counterfeiting and mutilation are provided against by suitable contrivances and penal enactments. — *Washington Union, 20th Sept.*

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GOLD COINS. — The deterioration in our gold coins has caused considerable conversation of late in our banking institutions. It is ascertained that the coinage of only a few years' date is quite deficient in weight; so much so, that parcels of $5,000 or less fall short several dollars. According to the standard, eagles, half-eagles, &c, are a legal tender, at a certain specified weight, and if they do not weigh the requisite amount, can they be received at the count? The difference in weight of a single piece is very trifling, but in the aggregate there is quite a deficiency. This process of deterioration is going on from day to day, and the coins which at this time are of full weight will in a few months, perhaps, according to the wear, be designated as light coin. We understand the banks in this city have decided to receive gold only at weight, which decision we think is according to law. — *Boston Journal.*

FORGERY. — An adroit attempt was made one day last week to defraud the Bank of Syracuse, by forged drafts. A letter was received on Wednesday, by Mr. Horace White, Cashier, purporting to have been written and signed by Hon. William H. Seward. The letter covered a draft signed by a Mr. Harrison, of Canton, St. Lawrence county, for $ 3,700, indorsed by Governor Seward. Mr. White was requested to send $ 200 in bills through the mail to Matthew Hope, of Rochester, inclosing in the same letter a draft for $ 1,250, payable to the order of Frederick Crane, and another draft for the same amount payable to the order of J. W. Harper, of Buffalo. The balance of $ 1,000 was to be placed to the credit of Mr. Seward, here.

Mr. Harrison's draft was accordingly discounted, and the money and the two drafts for $ 1,250 were forwarded to Rochester. An account of an attempt to defraud some New Jersey Bank, by the forgery of the name of Senator Dayton, and the failure of the rogues to realize the fruits of their villany, having come to Mr. White's knowledge, through the city papers, his suspicions were excited as to the genuineness of the Harrison draft, and the necessary measures were immediately taken to stop the delivery of the letter addressed to Hope, at Rochester. Mr. White yesterday had the satisfaction of learning that the letter had not been taken from the office, and that the money and drafts were therefore safe.

The imitation of Governor Seward's hand was well done, — that of his signature was complete. The letter was franked by him, and the frank is supposed to be genuine. The miscarriage of the New Jersey enterprise probably alarmed the rogues in this quarter, and deterred them from calling for the letter at Rochester. — *Syracuse Journal, October 2.*

THE CITY OF PARIS. — The revenue of the city of Paris for the fiscal year 1851 is reported at forty-nine millions of francs; forty-one millions is the estimate of the ordinary expenses, to which are to be added seven for repairs, extraordinary work, &c. The returns published in the *Moniteur* show that the indirect taxes of France, during the first six months of the present year, have amounted to three hundred and fifty millions, being sixteen millions more than in the corresponding period of last year, in spite of a deficiency of five millions in the salt tax. An increase of forty millions for the whole year may be hoped. It is boasted that the duty on potable liquor — chiefly wines and brandies — has produced during the half-year upwards of three million seven hundred thousand francs. The amount of duty *received* on *tobacco* has increased by nearly three millions. — *Paris Correspondent of Journal of Commerce.*

BANK-NOTE ENGRAVING. — One of the best specimens that we have seen of bank-note engraving is from a plate engraved by Draper & Co., of Philadelphia, for the Harrisburg Bank. The design is quite unique, being an inverted arch with several appropriate figures emblematical of agriculture and commerce. If our banks wish to shut out entirely the paltry counterfeits with which the community is flooded, they should employ the best artists as designers and engravers, and the best workmen as printers. Such work as that done for the Harrisburg Bank cannot be successfully imitated by counterfeiters or ordinary workmen, and we take pleasure in commending it to the scrutiny of banks in all the States. The later specimens of work by Rawdon, Wright, & Co., and by Toppan, Carpenter, & Co., are most finished pieces of note-engraving, and indicative of great perfection in this art.

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Stocks and Exchanges.

STATE SECURITIES, Oct. 23, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	105	"
New York,	6	"	1860	111	" 112
"	6	"	1865	117	" 118
"	5	"	1858	105½	" 106½
"	5	"	1866	105½	" 107
Pennsylvania,	6	"	1879	107	" 107½
"	6	"	past due,	99½	" 100½
"	5	"	. . .	92	Sales
Maryland,	6	"	. . .	103¼	" 104
"	5	"	. . .	88	" 90
"	5	"	sterling,	100	" 101
Virginia,	6	"	. . .	100	" 101
South Carolina,	6	"	. . .	100	" 104
Ohio,	5	"	1856	103	"
"	6	"	1870	110	" 110½
"	7	"	1851	105	" 106
Kentucky,	6	"	1871	106⅛	" 106½
"	5	"	. . .	87	" 88
Tennessee,	5	"	. . .	86	" 88
"	6	"	. . .	103	" 106
Indiana Bonds,		"	. . .	50	" 55
Indiana State,	5	"	. . .	79½	" 80
Alabama,	5	"	. . .	82	" 85
"	6	"	. . .	85	"
Arkansas,	6	"	. . .	50	Sales
Illinois Int. Imp. Stock,			. . .	62	" 63
" Interest Stock,			. . .	38	" 39

BALTIMORE, Oct. 23.

Baltimore, 6 per cent.,	1890	106⅜	to 106¼
B. and Ohio R. R. Stock,		79¼	" 79¾
" " Bonds,	1854	100	" 101
" " Div. Bonds,		93¼	" 94
Bank of Baltimore, . .	100	96½	" 97
Merchants' Bank, . . .	100	98	" 100
Union Bank, ...	75	70	" 71
Mechanics' Bank, . . .	15	16½	" 17
Commercial and Farmers',	33⅓	33	" 40
Western Bank, ...	20	20¾	" 21½
Farmers and Planters', .	25	28	" 28
Chesapeake Bank, . . .	25	26¾	" 27
Marine Bank, ...	30	27¾	" 29
Farmers and Merchants',	40	39	" 40
Franklin Bank, ...	12½	11½	" 12
Farmers' Bank of Maryland,	50	51¼	" 52
Patapsco Bank, ...	25	23½	" 25

PHILADELPHIA, Oct. 23.

U. S., 6 per cent.,	1856	109	to 110
" "	1862	113¾	" 113½
" "	1867	117	" 117½
" "	1868	117	" 118
" Coupons,	1868	118	" 118½
" 5 per cent.,	1853	103	" 104
" Treasury Notes,	6 p. cent.,	114½	" 115½
Philadelphia, 6 per cent.,		106	" 107
Nashville, 6 per cent.,	100	92	" 93
Alleghany, "	100	92	" 93
Cincinnati, 6 p. ct., water-works,		100½	" 101
Pittsburg, 6 per cent., coupons,		97	" 98
St. Louis, " "		95	" 97
Bank of Pennsylvania, .	100	114	" 114½
" North America,	100	144	" 150
Philadelphia Bank, . . .	100	143	" 146
Farmers and Mechanics',	50	72	" 72½
Commercial Bank, . . .	50	62	" 63
B. Northern Liberties, .	35	52	" 55
Mechanics' Bank, . . .	20	29⅝	" 29½
Southwark Bank, . . .	50	67	" 70
Kensington Bank, . . .	50	64	" 67
B. Penn Township, . .	22½	29	" 30
Western Bank, ...	40	66	" 68
Manuf. and Mechanics', .	25	27¾	" 28
Bank of Commerce, . .	50	63	" 65
Girard Bank, ...	12½	12½	" 12⅝
Bank of Pittsburg, . . .	50	51½	" 53
Exchange Bank, . . .	50	49	" 51
Merchants and Manuf., .	50	52	" 53
Texas Treasury Notes, .	50	46	" 50
Bank of Louisville, . .	100	102½	" 103
Northern Bank, Ky., . .	100	109	" 110
Bank of Kentucky, . .	100	105	" 105½
Union Bank, Tennessee,	100	66½	" 67½
Planters' Bank of Tenn.,		66½	" 70
N. O. Gas Light Bank. Co.,		114	" 115
Morris Canal, ...	25	20⅛	" 20½
Reading Railroad, . . .	50	33	" 34
" Bonds, 6 p. cent.,	1870,	77¾	" 78
" Mortgages,	1860,	83	" 84
Com. and Vicks. R. R. B.,	100	16½	" 16⅝
Phil. and Trenton Railroad,	100	129	" 131
Phil., W., Balto. Railroad,	50	30	" 31
Harrisburg Railroad, . .	50	44½	" 45
Schuylkill Navigation, .	50	56¼	" 57½
Camden and Amboy R. R.	100	32	" 133

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NEW YORK, Oct. 23.

Bills on London, 60 days,		110½	to 111
" Paris, 60 days,		516¾	" 515
" Amsterdam,		41	" 41¼
" Hamburg,		36	" 36¼
" Bremen,		80	" 80⅝
N. Y. City, 7 per cent.,	1857	111	" 111½
" 5 "	1856	102	" 104
" 5 " W. Ln.,	1858	102	" 102⅝
Brooklyn City, 6 per cent.,		104	" 106
Albany " 6 "		103½	" 105⅛
Columbus " 7 "		97	" 100
Erie R. R. Bonds, 1st Mortgage,		108⅛	" 109
Hudson River R. R. Bonds,		99¼	" 99½
Hartford and New Haven R. R.,		118	" 120
Erie R. R. Bonds, 2d Mortgage, 7		100¼	" 100⅝
Syracuse and Utica,	8	126	" 130
" Rochester,	8	109	"
Long Island Railroad,		15⅜	" 15½
Providence and Stonington,		39	" 39½
N. Y. and New Haven R. R.,		109	" 110
Paterson Railroad,		104	" 105
Tonawanda Railroad,	20	115	" 116
Harlem Railroad,		63	" 63¾
Mohawk Railroad,		85½	" 86
Utica and Schenectady,		148	" 150
Hudson River Railroad,	6	75	" 75½
Bank of New York,	10	139½	" 141
Manhattan Bank,	7	115	"
Merchants' Bank,	10	120	" 123
Mechanics' Bank,	10	118	" 121
Union Bank,	10	134	" 140
Bank of America,	8	111	" 112
City Bank,	10	122	" 125
Phœnix Bank,	7	106	" 106½
Tradesmen's Bank,	15	112	" 150
Fulton Bank,	10	125	" 130
Del. and Hudson C. Co.,	24	149	" 150
Butchers and Drovers',	10	130	" 135
National Bank,	8	112½	" 116
Merchants' Exchange,	8	116	" 118
Leather Manufacturers',	8	112	"
Bank of the State of N. Y.,	7	106	" 107
Bank of Commerce,	8	108½	" 109
Mech. Banking Association,	7	102	" 102½
American Exchange Bank,	10	125	"
N. Y., L. I., and T. Co.,	8	122⅛	" 130
Farmers' L. and T. Co.,		46¼	"
Ohio Life and T. Co.,		106	" 107
Canton Co.		55¼	" 55½
Bank of Louisiana,	10	120	"
Louisiana State Bank,	10	92	" 96
N. O. Canal and B. Co.,	6	90¾	" 95
Mech. and Traders' N. O.,	8	92	" 98

BOSTON, Oct. 23.

Boston, 6 per cent., 1853,		102	to 102½
" 5 " 1860,		100	"
East Boston Co.,		19⅛	" 19½
Atlantic Bank,		110	" 112
Atlas Bank,		100	" 101
Boston Bank (par 50),		56½	" 57
Boylston Bank,		104	" 105
City Bank,		102	" 103
Cochituate Bank,		100½	" 101
Columbian Bank,		101	" 102
Eagle Bank,		101	"
Exchange Bank,		104½	"
Freeman's Bank,		109	" 110
Globe Bank,		108	" 109
Granite Bank,		100	" 101
Grocers' Bank,		100	"
Hamilton Bank,		100	" 101
Market Bank (par 70),		82	" 83
Massachusetts Bank (par 250),		250	" 253
Mechanics' Bank,		102	" 104
Merchants' Bank,		109	" 112
New England Bank,		108	" 111
North Bank,		101	" 102
Shawmut Bank,		104	" 105
Shoe and Leather Dealers' Bank,		113	" 115
State Bank (par 60),		63	" 64
Suffolk Bank,		133	" 135
Traders' Bank,		104	" 105
Tremont Bank,		103	" 104
Union Bank,		108	" 110
Washington Bank,		100	" 101
Boston and Lowell R. R. (par 500),		580	" 585
" Maine Railroad,		108	" 109
" Providence Railroad,		83¾	" 85
" Worcester "		102	" 103
Concord Railroad (par 50),		56	" 57
Connecticut River Railroad,		83	"
Eastern Railroad,		103	" 104
Fall River Railroad,		83	" 85
Fitchburg Railroad,		112½	" 113
Hartford and New Haven R. R.,		118	" 120
Nashua and Lowell Railroad,		108½	" 109
Norwich and Worcester preferred,		56¾	"
Northern Railroad,		71½	" 72
Old Colony Railroad,		63½	" 64
Stonington "		39	" 40
Vermont and Mass. Railroad,		33½	" 34
Vermont Central Railroad,		33⅝	" 34
Western Railroad,		104½	" 105
Albany W. Railroad, 6 per cent.,		106	"
Michigan Central Railroad,		95	" 98
New Bedford and Taunton R. R.,		115	" 116
Rutland Railroad,		62	" 63

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BANK ITEMS.

Massachusetts. — *Pawtucket Bank.* — The visit of the Bank Commissioners to this institution disclosed a system of fraud on the part of the Cashier, A. A. Tillinghast, which has been going on for about seven years. An injunction has accordingly been laid on the concern. The amount of his defalcation has not been ascertained, but it is supposed that his property, which has been made over to the bank to the amount of $20,000, will by no means cover it. He had the whole management of the bank, and had loaned pretty largely to his friends, without good security. Several failures in the village have happened in consequence of the explosion, which is a serious misfortune to the business of the place. Mr. Tillinghast was the oldest cashier in the Commonwealth, and had been highly respected up to the time of the discovery. — *Boston Post.*

The *Providence Post* says that the Cashier had loaned the credit of the bank in the form of checks on other banks, payable on time, to a very large amount, variously stated from $75,000 to $90,000, to a single individual, and that there was other indebtedness, with entirely insufficient security, to the amount of $20,000. Such was the panic, that the bills in some cases were sold at a great discount. We are credibly informed, however, that the individual for whose benefit the credit of the bank has been so fraudulently extended will at once secure the bank against loss, and from present indications there is little reason to doubt that the bills will all be redeemed; and from information we have been at some pains to obtain, we would recommend to all holders not to sacrifice on them.

Lee Bank. — Edward A. Bliss, Esq., of the Connecticut River Bank, at Hartford, has been elected Cashier of the Lee Bank, Massachusetts, in place of Edmund D. Chapin, Esq, who goes into the John Hancock Bank, at Springfield.

The Suffolk Bank Robbery. — The Suffolk Bank, Boston, was robbed of a bag of gold, containing five thousand dollars, on Saturday, October 5th. The messenger of the Exchange Bank carried into the Suffolk Bank a sum of money consisting of bills and five thousand dollars in gold, in a bag, which he delivered to the teller, who received it and drew it towards him, and then turned round to transact other business. At this moment a man who had been observed busily occupied in figuring on a piece of paper, by Major Geo. M. Thacher, who just then entered the bank, coolly walked up and took the bag and placed it under his coat and walked down the stairs. Major Thacher did not at first suspect that any thing was wrong, but his suspicion being excited he followed the man, who was joined by an accomplice, and the thief proceeded to the Fountain House on Harrison Avenue. Major Thacher returned to the bank, and asked if they had lost any money, and not until they counted was the theft discovered. The police at once repaired to the Fountain House, — but the bird had flown. This is certainly one of the coolest pieces of business on record. — *Saturday Evening Gazette.*

The bank has issued the following advertisement: —

$1000 Reward. — A bag, containing $5000 in gold, was stolen from the counter of the Suffolk Bank, on Saturday last. The above reward is hereby offered for the recovery of the same.

By order of the President and Directors,

October 7th, 1850. I. C. Brewer, Cashier.

Springfield. — George P. Bissell, Esq., of the State Bank, Hartford, has been elected Cashier of the Western Bank, Springfield, in place of his brother, Charles P. Bissell, Esq., who is about to commence mercantile business at Rochester, N. Y.

Abington. — The Abington Bank, Plymouth county, chartered by the Legislature of Massachusetts in 1850, commenced business in October, with a capital of $100,000. President, A. Dunbar; Cashier, Judson N. Farrar.

New York. — J. Stringham, Esq., has been elected Cashier of the Patchin Bank, Buffalo, in place of T. W. Patchin, Esq., elected Vice-President of the same institution.

Delaware Bank. — Charles Marvin, Esq., has been elected President of the Delaware Bank, at Delhi, in place of H. D. Gould, Esq., who declined a reelection. Walter H. Griswold, Esq, has been chosen Cashier.

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Lockport Canal Bank. — This bank, which has been suspended for three or four years, is about to resume business. Since the suspension, all the creditors of the bank have been paid, with interest, and the capital stock mostly secured to the stockholders. The new officers elected are Alfred B. Judd, President, John P. Smith, Vice-President, and Elias Ransom, Cashier.

New York City. — The Pacific Bank commenced business on the 17th October, at the corner of Broadway and Grand Street. Its capital is $500,000, most of which is already paid in. We understand that it received on the day of its opening more than $170,000 on deposit from its dealers, exclusive of the instalment due and paid on that day. The officers of the bank are William Tilden, President, N. C. Ely, Vice-President, and Jacob Campbell, Jr., Cashier. The Directors are well known responsible business men of this city.

Brooklyn. — The new City Bank will commence business in a few weeks on Atlantic Street, South Brooklyn. President, John Skillman, Esq. Cashier, Robert Perrine, Esq.

VERMONT. — The Battenkill Bank, at Manchester, was broken into on the 30th September, and robbed of about five thousand dollars in gold and bank-bills. A reward of five hundred dollars has been offered for the recovery of the money.

CONNECTICUT. — William H. Hill, Esq., has been elected Cashier of the Winsted Bank, at Winsted, Connecticut.

RHODE ISLAND. — The Mechanics and Manufacturers' Bank of Providence has had an injunction laid upon it, and a receiver appointed, in consequence of an examination made by commissioners appointed by the Governor of Rhode Island.

The examination showed that the Cashier, A. W. Snow, was a defaulter to the amount of upwards of $70,000, — and criminal proceedings were forthwith instituted against him.

The public, however, need have no apprehension as to the safety of the bill-holders unless the condition of the bank has greatly changed for the worse since the last return, which was made in October, 1849. The liabilities of the Institution, according to that return, were as follows: —

Circulation,	$27,569.50
Deposits on interest,	18,012.56
Deposits not on interest,	28,543.01
Dividends,	159.00
Making a total of	$74,284.07

While the capital is $186,150. So that if half the capital stock should have been lost, still the public is secure, and not only the bills, but the deposits, will be paid in full. It would appear, therefore, that there need be no alarm among the bill-holders.

ALABAMA. — Daniel C. Sampson, Esq., has been elected Cashier of the Southern Bank of Alabama, a new institution, located at Mobile.

NEW BOOKS. — *The London Quarterly Review for October* has been issued by Messrs. Leonard Scott & Co., 79 Fulton Street, New York. Contents: — 1. Ticknor's History of Spanish Literature. 2. Church and Education in Wales. 3. Forms of Salutation. 4. Siluria and California. 5. Mure on the Literature of Greece. 6. Metropolitan Water Supply. 7. Anecdotes of the Provisional Government. 8. Cochrane's Young Italy. 9. Last Days of Louis Philippe.

The Edinburgh Review for October, 1850. — Contents: — 1. History of the English Language. 2. The United States. 3. The British Museum, — Catalogue of Printed Books. 4. Mure's Critical History of the Language and Literature of Ancient Greece. 5. Col. Chesney's Expedition to the Euphrates and Tigris. 6. Recent Classical Romancers. 7. Emigration and Industrial Schools. 8. Difficulties of Republican France. 9. Horace and Tasso.

The four English Quarterly Reviews are republished by Leonard Scott & Co., New York, at the very low rate of eight dollars for the whole.

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BANKERS IN CONGRESS. — The Hon. James G. King (of the firm of James G. King & Son, New York) represents the fifth district of New Jersey in the United States House of Representatives. The Hon. James H. Duncan, President of the Merrimac Bank, at Haverhill, represents the third district of Massachusetts. Chester W. Chapin, Esq., President of the Agawam Bank, Springfield, is the Democratic candidate for Congress from the sixth district.

Thomas M. Howe, Esq., Cashier of the Exchange Bank, Pittsburg, has been elected to the next Congress from the twenty-first district of Pennsylvania.

MERCANTILE GUARANTEE. — The progress of improvement which marks every class of society in the present day has called into existence the prospectus of a company now forming for the application of the principle of insurance to commercial transactions: it is entitled *The Mercantile Guarantee Association*. The views of the company are very ably set forth in a review and synopsis of the association, published by Baily, Brothers, of Cornhill, London. By this review, it is shown that three societies of this description have been established in Paris for three or four years, all of which have prospered. As this company propose to confine their transactions to the guarantee of legitimate business, arising only from *bonâ fide* sales, and or accommodation bills, it removes many objections which would naturally arise in the actual delivery of merchandise, excluding all transactions based on loans, notes of hand, the minds of the mercantile community, such as interference and the encouragement of unsound trading by one class of men at the expense of others. We think that the principle, properly carried out, would be of very great advantage to the middle class of prudent and industrious traders, who are now most exposed, and who generally suffer in any time of great pressure or commercial distress. — *London Morning Chronicle, October* 3.

Notes on the Money Market.

BOSTON, 25TH OCTOBER, 1850.

Exchange on London, sixty days, 110¼ *to* 111.

THE money market is very active, — a large amount of stocks has changed hands during the month, and prices rule high. Insurance stocks more especially have advanced, and are in demand. Our bank stocks are almost without exception above par, and a tendency to a further advance.

Money may be quoted at seven to eight per cent. per annum. Specie continues to be shipped to Europe, while sterling bills are in demand at 10½ to 11 premium. The Cunard steamer of this week took out $ 435,000 from New York, and the previous shipments for the current year amount to $ 7,000,000.

Large additions have been made during the current year to the bank capital of Massachusetts. In the annual report of the Secretary of State for 1849, contained in our February number, page 587, the capital of the Boston banks was represented to be $ 19,577,495, and of the country banks $ 15,552,516. Since then, the following increase has taken place in Boston, viz.: —

Bank.	*Capital.* 1849.	*Present Capital.*	*Increase.*
Shoe and Leather Dealers',	$ 747,495	$ 750,000	$ 2,505
Tremont Bank,	500,000	1,000,000	500,000
Union Bank,	800,000	1,000,000	200,000
Mechanics' Bank,	120,000	150,000	30,000
Grocers' Bank,	250,000	300,000	50,000
Bank of Commerce, commenced 1st August, 1850,		750,000	750,000
Bank of North America, " 18th September, 1850,		500,000	500,000
Cochituate Bank, " October, 1849,		150,000	150,000
Former amount,			19,577,495
Total, October 25, 1850,			$ 21,760,000

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And in the country banks, —

Location.	*Bank.*	*Capital, 1849.*	*Capital, Oct. 1849.*	*Increase.*
Newton,	Newton Bank,	$ 100,000	$ 150,000	$ 50,000
Lawrence,	Bay State Bank,	241,900	300,000	58,100
Haverhill,	Haverhill Bank,	149,700	150,000	300
Lynn,	Laighton Bank,	90,750	100,000	9,250
Worcester,	Mechanics' Bank,	100,000	150,000	50,000
Northampton,	Holyoke Bank,	150,000	200,000	50,000
Springfield,	Western Bank,	56,050	250,000	193,950
"	Springfield Bank,	250,000	300,000	50,000
Greenfield,	Franklin County Bank,	59,116	150,000	90,884
"	Greenfield Bank,	150,000	200,000	50,000
North Adams,	Adams Bank,	100,000	150,000	50,000
Chelsea,	Tradesman's Bank,	new,	100,000	100,000
Haverhill,	Union Bank,	new,	100,000	100,000
Lowell,	Prescott Bank,	new,	100,000	100,000
Milford,	Milford Bank,	new,	100,000	100,000
Fitchburg,	Rollstone Bank,	new,	100,000	100,000
Blackstone,	Worcester County Bank,	new,	100,000	100,000
Abington,	Abington Bank,	new,	100,000	100,000

Recapitulation.	*Capital, Oct. 1849.*	*Capital, Oct. 1850.*	*Increase.*
Boston Banks,	$ 19,577,495	$ 21,760,000	$ 2,182,505
Country Banks,	15,052,516	16,405,000	1,352,484
Total,	$ 34,630,011	$ 38,165,000	$ 3,534,989

Some portions of the new increase have been paid since the first day of October. The actual revenue to the State for the past six months, from tax on banks, is $ 179,600, being equivalent to a tax of one per cent. per annum on a gross capital of $ 35,920,000.

Several failures have occurred among the dry goods trade in this city, which are not of sufficient amount, however, to create uneasiness in the community. The banks maintain more than their ordinary line of discounts, and there is abundant floating capital in State Street to meet the demands of trade.

The following stocks have been recently introduced at the New York Stock Board, and are quoted among other Western securities now in demand.

Alleghany City	6 p. ct., 25 yrs.,	92 to 93	Cleveland and Cin. R. R., 7 p. ct., 91 to 93
Pittsburg,	6 " 30 yrs.,	97 "	Columbus and Xenia " 7 " 95 " 96
Alleghany County,	6 " 1860,	96 "	Ohio and Pa. " 7 " 90 " 92

The new Southern Bank of Alabama has commenced operations under favorable auspices, at Mobile. Bank capital is much required in that State, the foreign trade of which has become very extensive, and requires further banking facilities.

Two of the New England banks have failed since our last report, or have been placed in the hands of Receivers, namely, — The Pawtucket Bank, at Pawtucket, near the Rhode Island State line, and the Mechanics and Manufacturers' Bank at Providence. In both instances the cashiers are charged with misapplication of the funds under their control.

New banking institutions, as well as old ones, must recollect that "the best security against mismanagement of banking affairs must ever be found in the capacity and integrity of those who are intrusted with the administration of them, and in the caution and prudence of the public; but no legislative regulations should be omitted which can increase and insure the stability of establishments upon which commercial credit so much depends."

If the banks now mentioned had heeded the advice of one of our eminent capitalists, as embodied in our motto on the title-page, these failures would not have occurred. A cashier cannot too soon learn to say NO to the many solicitations for pecuniary aid based upon personal favor.

The banks of the city of New York have made returns of their condition on the 28th

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September last. We are indebted to the *New York Courier and Enquirer* for the following table; we have added the late returns of the Bank of America and the Phœnix Bank.

	Capital.	*Loans and Discounts.*	*Specie.*	*Circulation.*	*Deposits.*
Merchants' Bank,	$1,490,000	$4,019,902	$1,084,636	$309,277	$2,973,635
Union Bank	1,000,000	2,611,280	511,121	377,762	1,597,880
Bank of New York,	1,000,000	2,650,000	1,070,000	445,600	2,470,000
Mechanics' Bank,	1,440,000	3,922,858	1,060,000	473,451	2,615,204
Bank of America,	2,001,200	4,688,837	833,424	268,266	2,187,213
Manhattan Bank,	2,050,000	3,942,784	550,174	363,435	2,383,477
Bank of the State of New York,	2,000,000	4,638,091	840,057	406,496	2,980,782
Bank of Commerce,	4,360,280	6,249,500	715,092	12,940	2,039,519
National Bank,	750,000	1,592,400	92,723	117,827	799,379
Phœnix Bank,	1,200,000	3,079,213	188,040	261,468	1,912,281
City Bank,	720,000	1,722,621	246,861	152,197	1,339,329
Leather Manufacturers' Bank,	600,000	1,704,018	121,726	195,301	940,765
Fulton Bank,	600,000	1,957,573	172,517	219,759	1,071,653
Chemical Bank,	300,000	1,193,173	102,932	257,533	894,641
North River Bank,	655,000	1,393,976	71,542	371,495	986,953
Tradesmen's Bank,	400,000	1,084,887	48,282	263,083	728,823
Butchers and Drovers' Bank,	500,000	1,517,431	86,305	302,723	1,061,650
Seventh Ward Bank,	500,000	1,273,291	96,989	269,117	767,404
Broadway Bank,	500,000	973,690	74,849	212,230	705,036
Ocean Bank,	750,000	1,240,895	64,124	109,227	730,483
Dry Dock Bank,	200,000	255,433	10,814	70,022	59,231
Mechanics' Banking Association,	632,000	1,810,046	104,178	291,005	971,332
Merchants' Exchange Bank,	1,235,000	2,713,261	105,486	80,560	1,276,077
Greenwich Bank,	300,000	500,000	20,000	181,000	320,000
Bowery Bank,	356,650	961,034	58,402	191,552	809,511
Mechanics and Traders' Bank,	200,000	578,185	46,360	103,959	330,261
Mercantile Bank,	300,000	585,151	30,760	53,174	351,626
American Exchange Bank,	1,500,000	4,439,970	616,149	212,694	2,603,677
Sept. 28, 1850,	$27,540,080	$63,067,800	$9,902,587	$6,521,153	$37,228,202
June 29, 1850,	27,291,570	59,878,038	10,753,682	5,919,363	35,861,139
March 30, 1850,	26,740,315	56,430,647	6,861,501	6,725,688	32,067,337

The accumulated specie in the vaults of the banks enables them to extend their facilities to the community. The steady increase of loans, as indicated by these returns, shows that the demands of borrowers have not diminished. New and extensive channels of investment offer for the newly accumulated capital in the large cities. Stocks maintain high prices, and real property is held generally at considerable advances beyond the terms demanded six or twelve months since.

We have received a communication from Ohio, for which we will endeavour to find space next month, in reference to the dissension between the banks of Ohio and those of Indiana. In the mean while, however, we take occasion to say that the drafts and counter-drafts upon each other are productive of no good to either party.

DEATHS.

At Salisbury, Mass., on Thursday, 26th September, Seth Clark, Esq., aged seventy-eight years, President of the Powow River Bank, at Salisbury.

At Newark, New Jersey, on the 25th September, William H. Mott, Esq, in the forty-third year of his age, Cashier of the State Bank, at Newark. Mr. Mott assumed the duties of Cashier of the State Bank of that city in August, 1843, and up to the time of his death discharged them with credit to himself, and to the entire satisfaction of the public. He was also Treasurer of the Newark Savings Institution, of which he was one of the founders. Previous to his removal to Newark, he was connected with the Bank of America, in New York. Mr. Mott, in private and social life, was peculiarly amiable and beloved; and from his retiring habits and eminent modesty, few have been able to appreciate his true excellence, or to estimate the loss sustained in his sudden removal; and those who knew him best will most affectionately and gratefully cherish his memory.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. DECEMBER, 1850. No. VI.

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THE HOME MARKET.

For the Bankers' Magazine.

YOUR October number furnishes a text and a commentary, the consideration of which will enable us to present the questions "Protection" and "Free Trade" in what we deem a new and important point of light.

The article "Home Market" advocates what it esteems "*the true* American system." Its advocacy is, however, confined mainly to an exhibition of the opinions of others, rather than a statement of arguments; its main proposition is condensed in this statement: — "We are bound to protect our own manufactures to such an extent as will compensate for the *extra cost of capital and labor* in our own country, until these two material items of cost are more upon a level with those of Europe." Here it is assumed that the *cost* of capital and labor in America is so much greater than in Europe, that we must be protected in order to their employment in manufactures. If labor and capital cost too much to be employed in manufactures, why not in agriculture?[1] The leading idea of the article from the *London Times* is, that capital and labor, if left free, will find the most profitable employments,[2] and thus most promote individual and national interests, — that all "protection" is a waste of capital and labor, by forcing it into unnatural and unprofitable occupations. These propositions are directly at variance. Which is true?

In reply to the first position, we observe that, in order to *import* the product of European capital and labor, we must *export* the product of American capital and labor. Commerce is the exchange[3] of equivalents. It is obvious that a given quantity of capital and labor, appropriated to

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manufactures, will produce a given quantity of cloth or iron; if the same amount of capital and labor appropriated to agriculture will produce a *greater* quantity of the same commodities by exchanging with Europe, then in the immediate transaction we are gainers by the latter proceedure, because the object is the largest result of capital and labor in the forms desired, cloth or iron. Commodities result from capital and labor: that appropriation which gives the largest result is clearly most beneficial. The *London Times* has then the best of the argument, unless contingent benefits come in to change the relation of things, which we are persuaded they will not do.

What is meant by "the *cost* of capital and labor"? Obviously, the *money price.* Here the "Essay on Money" comes in as the commentary on "Home Market." In chapter second, page 324, we have this result stated as the conclusion of the argument: — "Such are the circumstances which regulate the value of money, first, when the power to supply it is not subjected to any species of monopoly; and second, when it is monopolized and limited. In the first case its value depends, like that of all other commodities, on the cost of its production, while in the latter case its value is totally unaffected by that circumstance, and depends entirely on the extent to which it has been issued compared with the demand." The principle here established is, that *cost* depends entirely upon the quantity of money in use; this is corroborated by the reasonings on pages 323 and 336, 337.

The theory we wish to establish is, — that the questions of "Protection" and "Free Trade" are simply *questions of money or currency*, — that *cost* with us is owing, not, as is generally supposed, to the relation of supply and demand for *labor*, but simply to the supply and demand of *money*, — that in the United States the supply of money for a given demand, the exchange of equal quantities of labor, is twice as great as in Europe, and of course *cost* is twice as great, and not that the demand for labor is in excess here, and *therefore* cost is increased. If the supply of labor were less than the demand, there would be no idle labor, and no necessity for restricting its operations, both of which facts exist.

Another position requires illustration. The cost of *capital* is obviously the *interest of money;* this must depend upon the *average rate of profits*, and not upon its *money price;* this principle is illustrated on page 338. No one would borrow money to be employed in business unless the rate of profit would compensate for the interest, the risk, and the cost of superintendence; if, therefore, the *cost of capital* in the United States is greater than in Europe, it must be owing to the higher rate of profit; and this furnishes no argument for the side of the "Home Market."

That ours is the true theory of the necessity of protection, we have no doubt; it is the *currency or money* of the country, and not its manufactures, that require protection. If our money bore the same relation to commodities as in Europe, no protection would be required; a diminution of the quantity of money in use, — which *quantity* has nothing to do with *value*, — which should reduce the cost of labor thirty-three per cent., would place all manufactures beyond the reach of European com-

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petition; but this is impracticable, as all existing obligations would be increased in a like ratio, and the debtor class of society ruined; hence the necessity of protection.

The truth of our position is apparent from the fact, that it is our *money* which is destroyed by its absence, more than our manufactures. Every bank in the United States became bankrupt in 1837–38, many manufacturers were not. Though a strong advocate of "Protection," we are conscious that the arguments of "Free Trade," on the assumption of *equivalent moneys*, are perfectly conclusive, and after thirty years of controversy, the advocates of "Protection" have less and less power over the public mind.

The science of money or currency, which lies at the basis of all social economics, is not understood in the United States, and until it is, there can be no intelligent comprehension of the questions of "Protection" and "Free Trade"; no intelligent legislation in relation to industrial interests. The assumption that what we call dollars are, as compared with those of Europe, only *half* dollars, — that, in our exchange with Europe, we *give* commodities measured with a *long* yardstick, and *take* them by a *short* one, most of your readers will deem ridiculous absurdities; they are truths, however, if the theory of the "Essay on Money" is true. HANCOCK.

NOTE 1. There is a vast difference between the wants of manufacturers and of agriculturists, especially in the United States. Manufacturers, in order to compete with those of other nations, must have money facilities at reasonable rates in order to prosecute their business satisfactorily. The manufacturer in England receives his cotton at about the same cost as the New England manufacturer. The former pays three to four per cent. per annum for what he borrows, and the labor applied costs perhaps two thirds of what it does here. The difference in these two items would make a handsome profit. On the contrary, the agriculturist of Ohio, Indiana, Missouri, &c., has a liberal capital already provided to his hands *in the soil*. He has no occasion for loans, except upon the products of that soil. These products yield him, in the first place, a comfortable living, and, secondly, a handsome surplus. The farmer, with a capital of twenty thousand dollars, invested in lands, improvements, and stock, has occasionally only any need of bank facilities, and then, perhaps, in the shape of advances upon produce on its way to market. On the other hand, the manufacturer with the same capital requires, every week, bank loans to enable him to pay wages and to get his goods to market.

2. Money will, like water, generally find its level. This is true in part. It is true when you take a country by itself, for instance, New England. If capital can be more profitably employed in Connecticut than in Maine, it will find its way from the latter to the former. But it is not wholly true in reference to the United States and Europe together. The attachments of Europeans to their own soil, to their own public securities, to their own governments and institutions, are such, that their capitalists will remain satisfied with three per cent at home, rather than run the risk of six to ten per cent. abroad. So that in fact the money markets of the two countries cannot for many years approach a level Eventually they will, no doubt, — and so capital will between California and New York, — but in the mean time, new countries must feel the want of capital enjoyed by older ones, and new settlements, like human life in infancy, require *Protection* to sustain them.

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3. As long as we export equivalents, in the shape of goods and produce, in return for our imports, and while such imports and exports balance each other, the trade is reciprocally beneficial, and may be said to be a *healthy* trade. But the moment specie begins to move, we have an index that our own labor does not yield enough for our own support, and the trade becomes then *unhealthy*. This is the case at present. We do not produce enough at home to pay for what we get abroad, and the longer this continues, the nearer we approach to a pressure and its results.

MOVEMENTS OF GOLD AND SILVER IN EUROPE. — According to returns which have been prepared, exhibiting the amount of specie and bullion which has been imported from foreign countries during the six months ending the 30th of June, by the various lines of royal mail steamers arriving at Southampton, it appears that the West India steamships, during the first half of the present year, have landed at Southampton gold and silver, in bars, dust, and coin, to the value of $ 11,814,275, or say £ 2,362,855 sterling. Of this amount the principal proportion was in silver, the quantity of gold being about $ 3,317,750, or £ 663,592 sterling, the greater part of which, or nearly £ 500,000, was transmitted across the Isthmus of Panama, where it was received, directly or indirectly, from California.

Half a million sterling is, therefore, about the amount of California gold which may be estimated to have reached this country during the past six months; the remainder of the precious metals received at Southampton by the West India mail steamers being the produce of Chili, Peru, Bolivia, Central America, Mexico, &c. About, $ 1,000,000 in silver have been received from the coast of Mexico *via* Panama, being the first remittance from that part of the world, the produce of the mines having been generally collected on the coast by Her Majesty's ships of war, and conveyed *via* Cape Horn. It is anticipated that, when the new route of the steamers is in operation, the whole of the silver will in future be transmitted to England by way of Panama. The amount brought during the past six months, as remittances for account of the Mexican dividends, is $ 451,865, or £ 90,373 sterling.

As compared with the corresponding half-year of 1849, the importations of bullion from the Western hemisphere show an increase of $ 1,243,620, or £ 248,730, thus proving that the flow of specie is unchecked and increasing. There is a slight falling off when compared with the last half-year of 1849, when the amount was $ 12,679,705, or £ 1,534,141 sterling, but there is every probability that during the next six months this amount will be considerably exceeded. From other parts of the world, the receipts of the precious metals show a considerable falling off, when compared with the corresponding periods of former years. The Peninsular and Oriental Company's steamers from Alexandria have brought only £ 56,732 sterling, against £ 498,591, thus giving a decrease of £ 141,359 sterling. — *London Globe, July*, 1850.

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LEGAL MISCELLANY.

Notice of Protest. — Sufficiency of Notice.

Before the Supreme Court of the United States, 1850. From Howard's Reports, Vol. IX. Published by Little & Brown, Boston.

In an action upon a bill of exchange brought by the holder, residing in Alexandria, against the indorser, a physician residing in Maryland, the bill upon its face not being dated at any particular place, it was sufficient proof of due diligence to ascertain the residence of the indorser before sending him notice of the dishonor of the bill, that the holder inquired from those persons who were most likely to know where the residence of the indorser was.

Where a notice is sent, after the exercise of due diligence, a right of action immediately accrues to the holder, and subsequent information as to the true residence of the indorser does not render it necessary for the holder to send him another notice. — *Lambert and McKenzie* v. *Ghiselin.*

This case came up from the Circuit Court of the United States for the District of Maryland, upon a certificate of division in opinion between the judges thereof.

It was a suit brought by Lambert and McKenzie, carrying on business as partners in Alexandria, Virginia, against William Ghiselin, the indorser of the following bill of exchange.

[Stamp 75 cents.] *April* 21, 1846.

Ninety days after date pay to the order of William Ghiselin fifteen hundred dollars, value received, and charge the same to account of your obedient servant,

Robert Ghiselin.

To John R. Magruder & Son, *Baltimore.*

(Indorsed,) John R. Magruder & Son.

(Indorsed,) William Ghiselin, Lambert & McKenzie.

Pay to the order of C. C. Jamison, Cashier.

John Hoopr, *Cashier.*

C. C. Jamison was the Cashier of the Bank of Baltimore, who caused the bill to be presented, when due, to the acceptors in Baltimore, and to be protested for non-payment.

In this case, the notice of protest was addressed to the indorser, at Nottingham, Maryland, where he had formerly resided, but from which place he had removed about five years previously to West River, Maryland. Inquiry was made of one person, who was supposed to know the residence of the parties, and he stated that the indorser resided at Nottingham. No further inquiry was made by the holder, and the case turns upon the *sufficiency of the notice* to the indorser.

Mr. Chief Justice Taney delivered the opinion of the court.

The facts upon which the question certified has arisen are not disputed. The sufficiency of the notice is therefore a question of law. And it is of the first importance to the commercial community, that the rules which regulate the rights and liabilities of parties to negotiable instruments in courts of justice should be plain and certain, and conform to the established usages of trade.

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Two objections have been taken to the sufficiency of the notice in this case. 1st. That due diligence was not used by the holder to ascertain the residence of the indorser before the notice was sent to Nottingham. And 2d. If reasonable diligence was used at that time, yet the information he afterwards received in Baltimore imposed on him the obligation of giving a further notice to the defendant himself, or of sending it by mail to his nearest and usual post-office.

As regards the first question, the court is of opinion that due diligence was used before the notice was sent to Nottingham. The case shows that there was very little, if any, trade between Alexandria and Nottingham at the time of this transaction, and but few persons, therefore, in Alexandria would be likely to know whether the defendant did or did not reside in Nottingham. The bill of exchange was not dated at any particular place, and the acceptors resided in Baltimore. The defendant was not engaged in trade, but was a physician residing in the country, and it does not appear that he was in the practice of visiting Alexandria, or of having any business transactions there. And the proof is, that Travers, of whom the holder inquired, from the nature of the trade in which he had been many years engaged, — first to Nottingham and afterwards to Baltimore, — was as likely as any other person in Alexandria to give the information which the plaintiffs were seeking to obtain, if not more so. The answer he received was direct and positive, both as to the knowledge of Travers and the residence of the indorser, and he had a right to rely upon it. And although Travers was mistaken, and the notice was not sent to the nearest or usual post-office of the defendant, yet the plaintiffs used all the diligence which the law requires, and had sufficient reason to believe that the notice would be received. The liability of the indorser was therefore fixed. The case of Harris *v.* Robinson, 4 Howard, 345, is conclusive on this point.

The second objection taken in the argument has not been so directly settled by judicial decision on the point, but is, we think, equally clear upon established principles.

We have already said, that the liability of the indorser was fixed by the notice sent to Nottingham. The plaintiffs had acquired a right of action against him by this notice, and might have brought their suit the next day. Could that right be divested by the information which was subsequently given to them? We think not, and that all of the cases in relation to this subject imply the contrary. The books are full of cases where mistakes of this kind have been committed, and suits afterwards brought when the residence of the party was discovered. Yet it does not seem to have been supposed in any of them that a second notice was necessary, nor are we aware that such a point has ever been raised. Yet if a notice thus given, after diligent inquiry, is not equivalent to actual notice, knowledge subsequently obtained would be a defence to the action, even if the holder had brought suit before he learned what was the nearest or usual post-office of the defendant.

The case of Firth *v.* Thrush, 8 Barn. & Cress. 387, which was much relied on in the argument, depended upon different principles. In that case, the holder knew that notice had not been given to the indorser.

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He had been engaged in making inquiries for his residence, without being able to obtain any information upon which he might have acted. And the question there was, not whether a second notice should be given, but whether due diligence was used in sending the first.

The rule contended for by the defendant would produce much uncertainty and difficulty in transactions of this kind. For if a second notice must be given, is it to be required in all cases where there has been an error in the information as to the defendant's post-office? Certainly the practice of the courts has been otherwise. And if it is not to be required in all cases, it would be impossible to fix any certain limits as to time or circumstances. The subsequent information might come to him casually, when his mind was occupied with other engagements; he might not confide in it as much as in that which he had before received; it might come to him in a few days, or months might elapse before he obtained it. The rule would be loose and uncertain in its application, and constantly lead to litigation, where the residence of the indorser was unknown, or an error committed as to his usual post-office. It would also be contrary, the court think, to the usages of commerce, and to the uniform practice in courts of justice. In the case of Harris *v.* Robinson, before referred to, no second notice was given; nor did the court intimate that any was necessary.

The law does not require actual notice. It requires reasonable diligence only, and reasonable efforts, made in good faith, to give it. And if sufficient inquiries have been made, and information received upon which the holder has a right to rely, a mistake as to the nearest post-office or usual post-office does not deprive him of his remedy. He has done all that the law requires; and the notice thus sent fixes the liability of the indorser as effectually as if he had actually received it. This we think is the true rule, and the only one that can give certainty and security in transactions in commercial paper.

We shall therefore certify, that reasonable diligence was used by the plaintiffs to give the defendant notice of the dishonor of the bill.

The counsel for plaintiffs quoted the following authorities in support of his case: — Harris *v.* Robinson, 4 Howard, 345; Story on Promissory Notes, § 316; Chitty on Bills, 453; 1 Barnewall and Cresswell, 245.

California. — We are now inquiring whether California is to change the whole aspect of the civilized world, and *inter alia* to free our nation of £800,000,000 of debt in a quiet and imperceptible manner, and we hold that such a result is utterly at variance with the great natural facts attested and established by history and science. Already, we do think, more than enough has been said to justify our inferences; but antagonistic voices may cry out that we have not spoken of a tithe of the places where some gold occurs, or has been known to exist. We reply, that such localities have been copiously dwelt upon elsewhere, and that we profess to treat only of the great features of the case. Those who wish to enter into all auriferous details must study the great authority Humboldt, and many other writers; but nowhere will they find more useful information than in the essays by Adolph Erman (the adventurous explorer of Siberia and Kamtschatka), which are included in our list. — *London Quarterly Review, October*, 1850.

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BANK STATISTICS.

Farmers' Bank of Virginia and Branches.

LIABILITIES.	*Oct.*, 1847.	*Jan.* 1, 1849.	*Jan.* 1, 1850.	*Oct.* 1, 1850.
Capital,	$ 2,978,700	$ 2,981,800	$ 3,000,900	$ 3,000,900
Circulation,	2,943,674	2,240,136	2,522,560	2,780,473
Deposits,	1,115,440	1,242,140	1,470,933	1,523,698
Surplus Fund,	263,159	303,347	282,352	300,483
Profits last six months,	90,124	142,735	148,180	88,730
In Transitu,	35,538	33,692	11,406	32,116
Total Liabilities,	$ 7,426,636	$ 6,943,850	$ 7,436,331	$ 7,726,600

RESOURCES.	*Oct.*, 1847.	*Jan.* 1, 1849.	*Jan.* 1, 1850.	*Oct.* 1, 1850.
Loans,	$ 5,363,086	$ 5,647,070	$ 5,958,097	$ 5,932,183
Sterling Bills,	45,101	9,795	34,570	6,491
Stocks,	253,407	168,988	69,618	49,976
Bonds,	. . .	. . .	. . .	201,027
Due by Commonwealth,	. . .	. . .	. . .	125,000
Specie on Hand,	990,388	697,223	789,314	857,644
Notes of other Banks,	231,298	146,990	151,907	234,743
Bank Balances,	302,644	43,154	152,558	116,990
Real Estate,	240,712	230,630	213,123	202,546
Interest on Bonds,	. . .	. . .	67,144	. . .
Total Resources,	$ 7,426,636	$ 6,943,850	$ 7,436,331	$ 7,726,600

Exchange Bank of Virginia, 1845 – 1850.

LIABILITIES.	*Oct.*, 1845.	*Oct.*, 1847.	*Oct.*, 1849.	*Oct.*, 1850.
Capital,	$ 1,726,300	$ 1,808,300	$ 1,826,300	$ 1,826,300
Circulation,	711,352	1,088,664	992,855	1,552,875
Deposits,	732,545	661,026	722,954	893,475
Bank Balances,	50,995	66,964	85,010	113,960
Surplus,	136,502	153,880	163,426	168,814
Total Liabilities,	$ 3,357,694	$ 3,778,834	$ 3,790,545	$ 4,555,424

RESOURCES.	*Oct.*, 1845.	*Oct.*, 1847.	*Oct.*, 1849.	*Oct.*, 1850.
Loans,	$ 2,426,204	$ 2,739,623	$ 3,020,442	$ 3,618,715
Foreign Exchange,	3,426	11,093	21,474	. . .
State Stock,	243,045	201,740	111,900	* 75,000
Bank Balances and Notes,	265,163	252,928	214,390	275,350
Bank Stock,	19,435	. . .	. . .	. . .
Suspended Debt at Petersburg,	. . .	. . .	36,636	32,041
Real Estate,	91,998	96,223	93,578	93,878
Coin on Hand,	274,136	461,324	286,777	404,074
Branch Balances,	34,288	15,903	5,348	56,366
Total Resources,	$ 3,357,694	$ 3,778,834	$ 3,790,545	$ 4,555,424

* Loans to the Commonwealth.

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Banks of Vermont, August, 1850.

In ascertaining the resources of the several banks in this State, no reference has been had to the amount claimed to be due several of them from the safety fund, as they are not such resources as can be resorted to by the banks for present and available means for the redemption of their circulation.

The resources specified by the banks respectively in the annexed statements, it is believed, are available securities, as, with few exceptions, all claims questionable in their character are carried to the account of profit and loss, leaving the condition of the banks as above stated, free from any embarrassment arising from that source.

All the banks in the State, during the last year, have uniformly redeemed their bills at par in Boston, and consequently are exempt from taxation. The directors of the following-named banks have given bonds, under the thirty-ninth section of the act of 1840, for the redemption of their bills, and are consequently exempt from contribution to the safety fund, to wit: —

The Bank of Burlington,
" Farmers and Mechanics' Bank,
" Commercial Bank,
" Merchants' Bank,
" Middlebury Bank,
" Bank of Caledonia,
" Passumpsic Bank.
" Orange County Bank,
" Vermont Bank,
The Brandon Bank,
" Stark Bank,
" Franklin County Bank,
" Missisquoi Bank,
" Ascutney Bank,
" Woodstock Bank,
" Bank of Black River,
" Bank of Montpelier.

From the tabular statement hereto annexed, it appears that the circulation of the several banks amounts to the sum of $2,856,027, being $534,219 more than last year. This increase has arisen mostly, though not entirely, from the creation of four new banks, which have gone into operation during the past year.

The gold and silver in the several banks amount to the sum of $127,337.75, whilst the circulation of the same banks amounts to the sum of $2,856,027. It is submitted, whether there is not too great a discrepancy existing between the amount of specie, and the capital and circulation of the several banks; and whether public confidence in those institutions would not be increased, and the business of the country, as well as the banks themselves, be better protected, by requiring them to keep constantly on hand a larger proportion of their capital in specie. The effect of keeping so small an amount as is now held would be made apparent, in case there should arise another general suspension of specie payments.

The undersigned, from the examination as made this year, renews the expression of his belief and full conviction of the soundness of all the banks in this State, and their ability at all times to redeem their circulation. And in the discharge of their respective duties, the officers and directors manifest a desire to conform to the laws of this State, adopted for their regulation and government. And whilst their circulation has not exceeded twice the amount of their capital paid in, the undersigned has

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in no case ascertained that the directors and officers have loaned any part of their capital on pledge of their stock, or employed the same in trade or commerce. The indebtedness of stockholders, directors, and officers of the banks has not, except in a few inadvertent cases, exceeded the five per cent. of their capital. And the indebtedness of individuals, companies, and corporations has not exceeded the ten per cent. of capital, *except on the purchase of bills of exchange;* and in this respect, such indebtedness beyond the ten per cent. has not *generally* been extended to an unreasonable amount; and excepting, also, deposits made with bankers and brokers in New York and Boston, which deposits have been made, in few cases, to considerable extent, beyond that amount. And it is submitted, that such indebtedness is a violation of the seventeenth section of the act relating to banks, passed A. D. 1840, and the "Act in addition to, and in explanation of, an Act relating to Banks," passed A. D. 1843.

From the tabular statement it further appears that the aggregate amount of available resources of the several banks in this State is $ 165,786.92 more than their aggregate liabilities.

PIERPOINT ISHAM, *Bank Commissioner.*

Banks of Vermont, August, 1850.

Name of the Bank.	*Capital.*	LIABILITIES. *Bills in Circulation.*	*Other Debts Due.*	*Total Liabilities.*
Ascutney Bank,	50,000	87,703	11,878	149,581
Bank of Bellows Falls,	100,000	120,256	22,808	243,064
Bank of Black River,	50,000	96,746	3,811	150,556
Bank of Poultney,	50,000	77,697	15,486	143,183
Brandon Bank,	40,000	45,641	18,462	104,103
Bank of Middlebury,	75,000	112,202	19,171	206,373
Bank of Burlington,	150,000	136,640	26,898	313,538
Bank of Rutland,	100,000	165,240	25,957	291,197
Bank of Vergennes,	100,000	107,889	34,527	242,416
Battenkill Bank,	50,000	74,424	5,054	129,478
Bank of St. Albans,	50,000	133,603	42,226	225,829
Bank of Montpelier,	100,000	175,714	40,873	316,587
Bank of Orleans,	30,000	44,922	517	75,439
Bank of Caledonia,	75,000	96,342	21,024	192,366
Bank of Newbury,	75,000	124,121	13,998	213,119
Bank of Brattleboro',	150,000	156,193	17,653	323,846
Commercial Bank,	150,000	97,744	16,614	264,358
Franklin County Bank,	70,000	82,691	79,985	232,676
Farmers and Mechanics' Bank,	149,410	202,155	56,902	408,467
Farmers' Bank,	100,000	74,194	8,319	182,513
Merchants' Bank,	75,000	73,830	90,038	238,868
Missisquoi Bank,	35,000	61,900	4,158	101,058
Orange County Bank,	50,000	79,442	2,773	132,215
Passumpsic Bank,	50,000	98,819	687	149,506
Stark Bank,	75,000	89,188	6,548	170,736
Vermont Bank,	100,000	150,225	24,810	275,035
Woodstock Bank,	60,000	90,507	7,908	158,415
Total Liabilities,	$ 2,159,410	$ 2,856,027	$ 619,098	$ 5,634,535

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Name of the Bank.	RESOURCES. *Notes, &c., Discounted.*	*Deposits in City Banks.*	*Other Resources.*	*Specie.*
Ascutney Bank,	110,717	25,069	11,553	3,803
Bank of Bellows Falls,	179,152	55,801	9,183	3,872
Bank of Black River,	135,470	14,357	2,852	1,330
Bank of Poultney,	96,207		53,658	3,260
Brandon Bank,	78,551	24,034	658	2,222
Bank of Middlebury,	119,806	81,941	9,139	3,323
Bank of Burlington,	274,826	21,443	23,826	8,368
Bank of Rutland,	222,393	51,058	12,438	10,400
Bank of Vergennes,	216,957	16,479	19,407	7,053
Battenkill Bank,	90,401	35,513	1,632	2,871
Bank of St. Albans,	144,648	70,040	15,923	5,349
Bank of Montpelier,	236,363	41,947	48,877	4,598
Bank of Orleans,	67,745	4,968	8,832	2,799
Bank of Caledonia,	179,177	3,000	12,701	2,750
Bank of Newbury,	171,420	35,763	8,420	6,897
Bank of Brattleboro',	239,611	52,849	22,955	10,635
Commercial Bank,	219,648	29,072	9,607	10,177
Franklin County Bank,	161,661	12,275	55,678	4,033
Farmers and Mechanics' Bank,	366,493	39,588	15,279	6,029
Farmers' Bank,	90,463	59,988	32,613	3,505
Merchants' Bank,	185,073	43,097	10,841	3,561
Missisquoi Bank,	64,326	33,381	2,304	1,818
Orange County Bank,	96,539	27,846	9,640	3,316
Passumpsic Bank,	132,868	12,503	2,817	2,969
Stark Bank,	133,312	33,634	3,365	2,876
Vermont Bank,	223,747	46,177	4,956	5,451
Woodstock Bank,	124,141	9,822	25,436	4,060
Total Resources,	$ 4,361,727	$ 881,657	$ 429,599	$ 127,337

Comparative Condition of the Vermont Banks.

LIABILITIES.	*Oct.*, 1847.	*Aug.*, 1849.	*Aug.*, 1850.
Capital,	$ 1,301,190	$ 1,829,395	$ 2,159,410
Circulation,	2,232,400	2,321,808	2,856,027
Deposits, &c.,		351,659	619,100
Total Liabilities,		$ 4,502,862	$ 5,634,537
RESOURCES.	*Oct.*, 1847.	*Aug.*, 1849.	*Aug.*, 1850.
Notes and Bills Discounted,		$ 3,541,081	4,361,727
Deposits in City Banks,		606,320	881,657
Specie,	$ 107,600	120,811	127,337
Miscellaneous,		234,650	263,816
Total Resources,		$ 4,502,862	$ 5,634,537

BANKS OF MAINE, 1847 – 1850.

LIABILITIES.	*May*, 1846.	*May*, 1847.	*May*, 1848.	*Oct.* 5, 1850.
Capital,	$ 3,009,000	$ 3,059,000	$ 2,920,300	$ 3,248,000
Circulation,	2,240,820	2,536,828	2,315,521	2,654,208
Deposits,	1,257,646	1,263,627	1,129,773	1,261,957
Bank Balances,	93,710	46,002	112,955	48,007
Profits,	117,222	149,403	122,577	171,945
Total Liabilities,	$ 6,718,398	$ 7,054,860	$ 6,601,126	$ 7,384,117

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RESOURCES.	*May*, 1846.	*May*, 1847.	*May*, 1848.	*Oct.* 5, 1850.
Loans,	$ 5,391,113	$ 5,636,264	$ 5,189,088	$ 5,830,230
Coin on Hand,	219,063	259,995	521,536	475,590
Real Estate,	191,714	170,432	129,006	111,905
Notes of Maine Banks,	76,320	86,130	99,570	92,298
Notes of other Banks,	71,088	92,687	82,783	95,138
Bank Balances,	769,095	809,352	579,143	778,956
Total Resources,	$ 6,718,398	$ 7,054,860	$ 6,601,126	$ 7,384,117

Banks of New Orleans, November 1.

Our banks are very liberal, and have been discounting up to the very verge of the law, but still the money market is very tight, and can only be permanently relieved by the importation of a couple of millions of specie. The following statement will show at a glance the cause of our suffering. It proves that in the short space of eight months, the banks have curtailed their circulation $ 2,488,785; their deposits $ 2,261,764; their specie $ 3,802,691, and their loans $ 1,926,682.

Monthly Condition of the New Orleans Banks for 1850.

1850.	*Circulation.*	*Deposits.*	*Specie.*	*Loans.*
October,	$ 4,589,012	$ 6,879,884	$ 4,547,592	$ 9,835,452
September,	4,361,617	6,381,807	4,915,547	9,044,638
August,	4,608,507	6,515,542	4,801,050	8,317,097
July,	5,151,587	7,151,039	5,287,248	8,433,417
June,	5,536,622	7,629,808	5,402,679	8,784,927
May,	6,171,307	7,944,510	6,101,198	10,104,113
April,	6,573,944	8,728,628	7,903,306	11,014,046
March,	7,077,797	9,141,618	8,350,283	11,762,134

The most rapid curtailment took place during the months of May and June, at a time when the business operations of the season had been brought comparatively to a close, and when the want of money was consequently scarcely felt. Since then, however, the basis of our moneyed movements has decreased another million, whilst, on the other hand, cotton is coming rapidly to market, at prices twenty-five to thirty per cent. above those of last season, and thus requiring also greater facilities to carry on the business. Exchanges will not be regulated before we obtain a considerable supply of coin, and the banks would do well to order the specie out forthwith. — *New Orleans Bee.*

Rhode Island Banking Law, 1850. — Resolution relative to the Mount Vernon Bank of Foster: — *Resolved*, That the committee appointed at the August session of the General Assembly, A. D. 1850, to inquire whether the Mount Vernon Bank, located in Foster, has not forfeited its charter by establishing an agency for discount and deposit in the city of Providence, be continued until the next session of the General Assembly, with power, during said time, to exercise a supervision over the management of said bank; and that said bank be, and hereby is, directed to immediately and fully discontinue its agency in the city of Providence. And the said committee shall be allowed a reasonable compensation for their services, to be paid by said bank.

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JOHN LAW, THE FINANCIER.

BIOGRAPHICAL SKETCH OF JOHN LAW, PROJECTOR OF THE MISSISSIPPI SCHEME. BY THE LATE JAMES BROWNE, LL. D., ADVOCATE, OF EDINBURGH.

Birth at Edinburgh, April, 1671. — Duel between Mr. Law and Edward Wilson. — Death of Wilson. — Escape of Law to the Continent, in 1694. — Return to Scotland in 1700. — Residence in Brussels. — Success as a Gamester. — Return to Paris in 1714. — Establishment of Law's Bank in 1716. — Dissolved in 1718. — Appointed Director-General of the Royal Bank of France. — The Mississippi Scheme in Operation. — Shares fixed at Five Hundred Livres. — Advance to Ten Thousand Livres per Share. — Pardon of Law for Murder of Wilson. — Abjuration of the Protestant Religion. — Appointed Comptroller-General of the Finances, January, 1720. — Elected Member of the Academy of Sciences. — Export of Specie. — 2,600 Millions in Livres issued. — Bank Issues reduced one Half in Value. — Failure of the Bank in May, 1720. — Resignation of Law, 29th May, 1720. — Arrival at Brussels, 22d December, 1720. — Arrival in England. — Death of Law at Venice, 21st March, 1729.

JOHN LAW, commonly known by the name of the Projector, was the eldest son of William Law, and was born at Edinburgh in the month of April, 1671. His father followed the profession of goldsmith or banker, with so much success, that he was enabled to purchase the lands of Lauriston and Randleston, which afterwards descended to his son. The latter was educated at Edinburgh, where he is said to have made some progress in literature; but the bent of his genius having led him to study arithmetic and geometry, he attained such proficiency in these branches, as to be able to solve with facility the most intricate problems; and he likewise made himself master of algebra. The principles of public and private credit, the state of trade and of manufactures, the theory and practice of taxation, and other matters connected with political economy, also engaged his attention; and the accession of knowledge resulting from these inquiries laid the foundation of his future eminence. But he soon became noted as a man of pleasure as well as of study. Having lost his father before he had completed his fourteenth year, he was thus left at an early age without paternal control; and as the graces of a naturally handsome person were improved by the acquisition of external accomplishments, Jessamy John, or Beau Law, as he was indifferently called by his companions, addicted himself to the practice of all games of chance, skill, and dexterity, and appears to have engaged in other pursuits of a still more questionable character. In 1694, he visited London, where his wit and accomplishments procured him admission into the first circles, whilst his extravagance speedily involved him in difficulties. At this time he was noted for his propensity to deep play, and for his gallantries amongst women. By the former he injured his fortune; in consequence of the latter, he narrowly escaped an ignominious end. An intrigue which he had with a Mrs. Lawrence proved the occasion of a quarrel between him and one Mr. Edward Wilson; a hostile meeting ensued, and Mr. Law killed his antagonist on the spot. He was immediately apprehended, and brought to trial at the Old Bailey, on a charge of murder; and being found guilty, received sentence of death. Upon a

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representation of the case to the crown, however, Law obtained a pardon; but an appeal being lodged by a brother of the deceased, he was detained in the King's Bench prison. This appeal was brought before the Court of King's Bench in Trinity term, 1694; and as the exceptions taken on the part of Law were overruled by the court, the latter, judging it prudent not to await the result, found means to escape from prison, and retired to the Continent. In the London Gazette of Monday, 7th January, 1695, a reward of fifty pounds was offered for the apprehension of "*Captain* John Law, a Scotchman, lately a prisoner in the King's Bench for murther," who is described as "a very tall, black, lean man, well shaped, above six foot high, large pock-holes in his face, big high nosed, speaks broad and loud." This description, which conveys no very favorable idea of Law's personal appearance, and differs from his real portrait, is supposed by Mr. Wood to have been drawn up with a view to facilitate his escape. The prefix of "Captain," which is otherwise a good travelling title, may also, perhaps, be explained on the same hypothesis.

During his stay abroad, he acted for some time as secretary to the British resident in Holland, and occupied himself in improving his knowledge of financial operations, and particularly in making himself acquainted with the constitution and practical operation of the Bank of Amsterdam. He returned to his native country in 1700, and in that year appears to have written his "Proposals and Reasons for Establishing a Council of Trade," which was published at Edinburgh early in 1701. His project met with no encouragement; but the publication had the effect of making him known to some of the principal personages of the country, including the Duke of Argyll, his sons, the Marquis of Lorn and Lord Archibald Campbell, the Marquis of Tweeddale, and other persons of distinction. Relying upon the support of these noblemen, he offered to the Scottish Parliament, in 1705, a plan for removing the difficulties under which the kingdom then labored from the scarcity of specie, and the stoppage of payments by the bank; and, with a view to further his object, he published another work, entitled "Money and Trade considered, with a Proposal for Supplying the Nation with Money," which appeared at Edinburgh the same year. His "proposal" was, that commissioners, to be appointed by an act, under the control of Parliament, should be empowered to issue notes, either in the way of loan, at ordinary interest, upon landed security, the debt, however, not to exceed half, or at the most two thirds, of the value of the land; or upon land-pledges, redeemable within a certain period, to the full value of the land; or, lastly, upon sale irredeemably to the amount of the price agreed upon. Paper money, thus issued and secured, would, he conceived, be equal in value to gold and silver money of the same denomination, and might even be preferred to these metals, as not being, like them, liable to fall in value. But this scheme, though supported by the united weight of the court party, and of that called the *squadrone*, headed by the Duke of Argyll and the Marquis of Tweeddale, was rejected by the Parliament, which resolved, "that to establish any kind of paper credit, so as to oblige it to pass, was an improper expedient for the nation." The rejec-

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tion of the plan was occasioned by an apprehension, that, if it were adopted, all the estates of the kingdom would thereby be brought to a complete dependence upon the government.

Mr. Law now resolved to abandon his native country, and to try his fortune abroad. He resided some time at Brussels, where he became noted for extraordinary success at play; and in two excursions which he made to Paris, his good fortune at the gaming-table became still more conspicuous. Having visited the principal cities of Italy, he continued the same career, playing at all sorts of games, and betting and speculating in the public funds and banks, with uninterrupted success; insomuch that, in the year 1714, he was worth upwards of £ 110,000 sterling. During these rambles, Law, having the advantage of a graceful figure and an insinuating address, was everywhere well received by persons of the highest quality. At Florence he became acquainted with the Duc de Vendôme, whom he had the honor to oblige with the loan of a considerable sum of money. At Neufchâtel he obtained access to the Prince of Conti, to whom he imparted some of his financial projects. During a short residence at Turin, he communicated to Victor Amadeus, king of Sardinia, a scheme for aggrandizing his territories, of the same nature as that which he afterwards proposed to the Duke of Orleans; but the prudent monarch declined embarking in so perilous an adventure, observing to the projector, that his dominions were too small for the execution of so great a design, and that France was the proper theatre for such speculations. "If I know the disposition of the people of that country," added Victor Amadeus, "I am sure they will relish your schemes; and therefore I would advise you to go thither without delay."

Law took the advice which was thus given him, and returned to Paris, where he arrived in 1714, not long before the death of Louis the Fourteenth. He was more favorably received than on the occasions of his former visits, when he appears to have been regarded as a mere adventurer; and soon gained the confidence of the Duke of Orleans to such a degree, that he was not only admitted to the convivial parties of the Regent, but even nominated one of his counsellors of state. At this time the French finances were in the greatest disorder, indeed in a situation accounted desperate; the nation was burdened with an immense load of debt, contracted during the expensive wars of Louis the Fourteenth; and the people groaned under the intolerable pressure of the taxes which had been imposed for payment of the interest. All industry was thus checked, and trade in a manner annihilated; manufactures, commerce, and navigation had almost ceased; the merchant and the trader were reduced to beggary, and the artificer was compelled, for want of employment, to leave the kingdom. In a word, the state of affairs was such, that it had been debated in council, and actually proposed to apply a sponge to the debt, and to seek relief by means of a national bankruptcy. The proposal, however, was rejected by the Regent, and a commission appointed to inquire into the claims of the state creditors, and endeavour to introduce some degree of order into the public finances. At this calamitous crisis, when the surplus of the public revenue, after payment of the interest of the debt, was found insufficient to defray the necessary expenses of the civil

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government, Law came forward with his favorite nostrum or panacea, and proposed to liquidate the debt, by establishing a bank for issuing notes secured upon landed property, and on the unalienable impledgment of all the royal revenues. The project seems to have been approved of, but as the conjuncture was thought unfavorable for risking so bold an experiment, his application proved ineffectual. Nothing discouraged, Law requested and obtained permission to establish a private bank, to consist entirely of funds advanced by himself, and others who chose to embark in the undertaking The letters-patent, which are dated the 2d and 20th of May, 1716, specify the principles upon which the bank had been established, as well as the regulations according to which it was to be conducted. The scheme promised success, and, in fact, the General Bank of Law and Company had acquired great credit, when, in December, 1718, it was dissolved by an *arrêt* of the Regent, who, observing the advantages resulting from the establishment, resolved to take it into the hands of government; a resolution which could not be very agreeable to the founder and his associates in the enterprise. Law, however, was named Director-General of the Royal Bank, in which his own had merged; and branches were established at Lyons, Rochelle, Tours, Orleans, and Amiens.

Law now began to develop the stupendous project he had long meditated, and which afterwards became so well known to all Europe, under the name of the Mississippi System. The scheme was nothing less than the vesting of the whole privileges, effects, and possessions of all the foreign trading companies, the great farms, the mint, the general receipt of the king's revenues, and the management and property of the bank, in one great company, who, having thus in their hands all the trade, taxes, and royal revenues, might be enabled to multiply the notes of the bank to any extent they pleased, doubling or even tripling at will the circulating medium of the kingdom, and, by the immensity of their funds, possessed of a power to carry the foreign trade and the improvement of the colonies to a height altogether unattainable by other means. This monstrous and impracticable monopoly was approved of by the Regent, and by letters-patent a commercial company was established, under the name of the Company of the West; to which was at the same time granted the whole province of Louisiana, a country watered throughout its whole extent by the Mississippi, from which the project accordingly took its name. The scheme was well calculated to entrap the unwary and to seduce the speculative. Of this company 200,000 *actions* or shares were issued, at 500 livres each, and the subscriptions were made payable in a depreciated paper currency, called *billets d'état*, which, however, in the subscriptions, was taken at its full value. This could not fail to operate as a tempting bait to the holders of these billets or notes to lay them out in the purchase of shares, especially since the depreciation amounted to between sixty and seventy per cent. The company thus became creditors of the king to the extent of a hundred millions of livres, the interest of which sum was fixed at the rate of four per cent.

Law, who had now advanced high in the Regent's favor, was of course named Director-General of the Company of the West, and thus intrusted

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with the development of his own stupendous project. Louisiana having been represented as a region abounding in gold and silver, and possessing a fertile soil capable of the highest cultivation, the actions or shares were bought up with the greatest avidity; and such was the rage for speculation, that the unimproved parts of the colony were actually sold for 30,000 livres the square league. In pursuance of the scheme, the farm of tobacco was made over to the company at an advance of rent exceeding two millions of livres. Soon afterwards they acquired the charter and effects of the Senegal Company; and this was succeeded by a still more important acquisition, namely, the exclusive privilege of trading to the East Indies, China, and the South Seas, together with all the possessions and effects of the China and India companies, now dissolved, upon the condition of liquidating all just claims against them. Upon this occasion the Company of the West assumed the title of Company of the Indies; and 50,000 new shares were ordered to be constituted, at 550 livres each, payable in coin. The price of actions quickly rose to 1,000 livres each. On the 25th of July, 1719, the mint was made over to this company for a consideration of fifty millions of livres, to be paid to the king within fifteen months; on the 27th of August following, the Regent took out of the hands of the farmers-general, and made over to them, the great farms, for which they agreed to pay an advance of rent of three millions and a half of livres; and on the 31st of the same month they also obtained the general receipt or collection of the other branches of the king's revenue. Having acquired all these grants, and thus concentrated in themselves not only the whole foreign trade and possessions of France, but also the collection and management of the royal revenues, they promised an annual dividend of 200 livres on every share; the price of actions instantly rose in the market to 5,000 livres; and the public ran with such eagerness upon the last creation of stock, that nearly double the requisite sum was subscribed, whilst the greatest interest was exerted, and every stratagem put in practice, to secure places in that subscription. The frenzy now became general. A rage for the acquisition of shares in the India Company seized and infatuated all ranks in the kingdom. Clergy and laity, peers and plebeians, princes and peasants, statesmen and magistrates, nay, even ladies, all, in short, who either had or could procure money for the purpose, turned stockjobbers, outbidding each other with such avidity, that in November, 1719, the price of shares rose to above 10,000 livres, or (when the depreciation of the *billets d'état* is taken into account) more than sixty times the sum they originally sold for. Nothing was talked of but actions; every place echoed with Mississippi and Quinquempoix (the street where the stockjobbing was at first carried on). All classes appeared to have but one object, one pursuit. Mechanics laid aside their work, tradesmen forsook their shops, and persons of all grades neglected their professions or employments, to embark in this new occupation; whilst even the few who observed some degree of moderation, showed by their conduct how little concern they took in affairs foreign to the Mississippi Scheme. The delirium had reached its culminating point. The unexampled rise in the price of actions enabled obscure and humble individuals to acquire at

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once princely fortunes; and many amusing anecdotes are told of persons thus suddenly raised to affluence. A footman, having realized a large sum, provided himself with a carriage; but the first day it drew up at his door, obeying the instinctive habit of his calling, he, instead of stepping into the vehicle, mounted up to his old station behind it. Another of the same fraternity, who had obeyed the like familiar impulse, endeavoured adroitly to cover his mistake by pretending that he got up merely to see if there was room at the back for two or three more lackeys, whom he was resolved to hire instantly. Law's coachman had made so great a fortune that he asked a dismission from the service of his master, which was granted, on condition of his procuring another as good as himself. Cook-maids and waiting-women appeared at the opera bedizzened with jewels and finery; many who had not a dozen livres in the world suddenly "tumbled from a garret into a carriage"; and the son of a baker at Toulouse, being desirous of having a superb service of plate, purchased the contents of a goldsmith's shop for 400,000 livres, and sent them home to his wife, with orders to set them out properly for supper. In a word, property underwent a new and most grotesque distribution.

Mr. Law now blazed a meteor of unequalled splendor. He possessed the ear of the Duke of Orleans; he was almost adored by the people, ever ready to worship at the shrine of the idol of the hour; and he was surrounded by princes, dukes, peers, marshals, and prelates, who all courted his friendship, and even seemed ambitious of his patronage. Nobles were content to wait in his antechambers, like the meanest subjects; and ladies of the highest quality employed every artifice, sometimes at the risk of their necks, to attract his passing notice. The Regent's mother asserts, in one of her letters, that "si Laws le vouloit, les femmes Françoises lui baiseroient la derrière"; a strong expression, certainly, but one which shows that all ideas of delicacy, or even decency, were absorbed by the cupidity and avarice which had taken possession of the public mind. The property which he acquired was immense. He purchased no less than fourteen estates with titles annexed to them, and amongst these the marquisate of Rosny, which had belonged to the illustrious Sully, the friend and minister of Henry the Fourth. About this period, too, a free pardon for the murder of Mr. Wilson was conveyed to him from England; and Edinburgh, proud of having produced so great a personage, transmitted to him the freedom of the city in a gold box. By his abjuration of the Protestant religion, the only obstacle which stood in the way of his advancement to the highest offices in the state was soon afterwards removed; and, on the 5th of January, 1720, he was appointed Comptroller-General of the Finances. A few days previous to this the Academy of Sciences had elected him one of its honorary members; and the flattering incense of poetry was offered up at the same shrine with the homage of an infatuated people. Thus the astonished world beheld an obscure foreigner, of doubtful reputation and questionable character, rise in a few months from a private condition to the high station of prime minister of France, and govern for a time, with almost absolute power, one of the greatest and most enlightened nations of Europe. It might well be said of him, *Tollitur in altum ut casu graviore cadat.*

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But after having raised himself to such an unexampled eminence, Law at length fell a sacrifice to the intrigues of the other ministers, who, partly from envy, and partly from apprehension, combined with ignorance, undermined the insecure fabric he had reared, and thus precipitated its fall. The credit of the bank and of the India Company had attained its height in November, 1719, when shares of the latter sold for more than 10,000 livres each, and money was so abundant in the former that the directors agreed to lend any sum upon proper security at two per cent. But amidst the general delirium, there were symptoms which evidently betokened an approaching revulsion. The most alarming of these was a constant drain of specie from the bank, either for the purpose of being hoarded or sent abroad. Astonished at their exorbitant gains, the original proprietors of the company thought only of converting their shares into gold, and realizing the fortunes which they had so suddenly acquired; and it was computed that not less than 500,000,000 livres, the property of persons of this description, had been sent out of France. To avert the danger which thus threatened the system, several edicts were issued early in 1720, by which payments in specie were restricted to small sums, and the standard of the coin was kept in continual fluctuation, whilst bank-notes were declared to remain invariable, and rents, taxes, and customs were made payable in notes. But what crowned all, was the edict of the 27th February, 1720, prohibiting individuals, as well as secular or religious communities, from having in their possession more than 500 livres in specie, under the penalty of a fine, and confiscation of all sums found exceeding that amount; a measure which could scarcely fail to sow distrust in the bosom of families, and to excite alarm in the public mind. Still the delusion prevailed. On the 23d of February, a few days before the publication of this edict, the Royal Bank had been incorporated with the company, and the king not only remained guarantee of the bank-notes, but gave up to the company all the profits made by the bank since December, 1718, when the government had taken it into its own hands. Meanwhile, the manufacture of notes proceeded with so much activity, that, by the 1st of May, 1720, paper money had been fabricated to the amount of more than 2,600,000,000 livres, or nearly £110,000,000 sterling; whilst the specie in the kingdom was estimated at only 1,300,000,000 livres, or about £52,000,000 sterling. In this state of matters, Cardinal Dubois and M. d'Argenson represented to the Regent that it had become necessary to equalize the proportion between the notes and the coin, either by reducing the value of the one to the extent of a half, or by doubling that of the other.

This extraordinary point was debated in council, where it was opposed by some of the members, amongst whom was the Comptroller-General, who strenuously contended for letting matters remain as they were; but the majority being in favor of the proposition for lowering the value of the paper, it was decided accordingly; and, on the 21st of May, 1720, an edict was issued, which, contrary to all sound policy, and even to the most solemn stipulations, reduced the value of the company's bank-notes one half, and fixed their actions or shares at 5,000 livres. By this unjustifiable and fatal step, the whole paper fabric was destroyed in an in-

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stant, the notes lost all credit, and next day a man might have starved with one hundred millions of paper money in his pocket. The consternation with which all ranks were seized was soon converted into rage, and it became necessary to station troops in different parts of the capital, to prevent the consequences to be apprehended from the fury and despair of the populace. Disorder and confusion reigned everywhere; seditious and inflammatory libels were posted up and distributed; and the life of the Regent himself was threatened. Even in this season of calamity, the French exemplified the indestructible gayety of their national character, by sporting with their own misfortunes in jests and epigrams. The following hebdomadal record is, perhaps, unique amongst *jeux d'esprits*: —

Lundi j'achetai des actions;
Mardi je gagnai des millions;
Mercredi j'arrangeai mon ménage;
Jeudi je pris un équipage;
Vendredi je m'en fus au bal;
Et Samedi à l'hôpital.

The Abbé, afterwards Cardinal, de Tencin, having had the principal share in Mr. Law's conversion, a service for which he was rewarded by the bishopric of Grenoble, is thus addressed by a malicious epigrammatist: —

Foin de ton zèle séraphique,
Malheureux Abbé de Tencin!
Depuis que Laws est Catholique,
Tout le royaume est Capucin.

Some conception may be formed of the distress of the people, when it is considered that at the time the bank thus stopped payment, and the value of paper money instantly sunk to zero, not less than 2,235,085,590 livres, or upwards of £90,000,000 sterling in notes, were in circulation. Law was of course peculiarly obnoxious to popular odium, which he endeavoured in vain to allay by resigning into the hands of the Regent his office of Comptroller-General, on the 29th of May; but, though several times exposed to imminent danger, from the vengeance both of the parliament and the people, he remained in France until towards the close of the year 1720, when he withdrew to Brussels; and soon afterwards his whole property was confiscated, and his brother William sent to the Bastile.

Law arrived at Brussels on the 22d of December, 1720, and, after waiting there for some time, in the vain expectation of being recalled to France, set out for Venice, which he reached early in January, 1721; he then visited other places on the Continent, and, in October, arrived in England, for the ostensible purpose of pleading the king's pardon. He was at first well received, and visited by persons of distinction; but when it was discovered that the fallen financier was in a state almost bordering upon destitution, his friends began to fall off, and, of those who had known or perhaps courted him in his day of power, he could find none good-natured enough to lend him a thousand pounds. In a letter addressed to Mrs. Howard, afterwards Countess of Suffolk, he calls that lady "his only friend"; an avowal which affords a striking instance of the instability of fortune, power, and friendship. After resid-

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ing some years in England, this extraordinary man returned once more to the Continent, and closed his checkered career at Venice, where, on the 21st of March, 1729, he died in a state but little removed from indigence, in the fifty-eighth year of his age. Soon after his death appeared the following epitaph, the point of which reminds us of the bitter jests which appeared upon the occasion of his fall : —

Ci gît cet Ecossois célèbre,
Ce calculateur sans égal,
Qui, par les règles de l'algèbre,
A mis la France à l'hôpital.

We do not think that any great difference of opinion can now be entertained respecting the real character of Law's project; and, indeed, it seems to be generally agreed that, even if it had not been violently interrupted by the edict of the Regent, it was too insecure in its principles to have proved permanent. The favorite maxim inculcated by Law, and upon which his whole fabric of the Mississippi system was reared, — namely, that the power and prosperity of a nation increase in proportion to the quantity of money circulating therein, and that, as the richest nations have not specie sufficient to afford full employment to their inhabitants, this defect may be supplied by paper credit, — involves a dangerous fallacy, even in the most restricted view that can be taken of its application, inasmuch as it implies that paper money may be issued with advantage to an almost unlimited extent, upon general security; and that its credit, or, in other words, its value, may thus be maintained without its being rendered convertible at pleasure into cash. But all experience has proved that this is absolutely impossible. When paper is in excess, in comparison with the total amount of gold and silver currency, it necessarily becomes depreciated; the prices of commodities experience a corresponding rise; the nominal value of the precious metals is increased in proportion to the amount of the depreciation, of which this increase is the only measure, and they disappear from circulation. All existing contracts and obligations are disturbed; debtors benefited at the expense of creditors; a spirit of reckless speculation and adventure is thus engendered; and, after a time, the crisis of revulsion and ruin arrives. Whenever the quantity of money in circulation is too great in proportion to the total amount of commodities to be circulated by it, depreciation is the necessary consequence, or, in other words, a proportional rise in the price of commodities. Money has no creative power, as Law seems all along to have imagined, and can never be in excess without endangering "the power and prosperity" of the nation where this is the case. His whole system, therefore, was built upon a sandy foundation, and, even if it had received no rude or sudden shock, would have fallen to pieces from its own insecurity and instability. At the same time, there is much truth in an observation of Mr. Burke, in his "Reflections on the French Revolution." "It is not true," says he, "that Law built solely on a speculation concerning the Mississippi; he added the East India trade, he added the African trade, he added the farms of all the farmed revenue of France; all these unquestionably could not support the structure which the public enthusiasm, not he, chose to build on

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these bases." He laid the best foundation that he could, perhaps the best which, in the circumstances, it was possible to lay; but the nation were suddenly mad, an event which he could scarcely have foreseen; the company was hurried onwards by the general frenzy; and when the delirium had reached its height, the Regent was advised to issue the fatal edict, which levelled the whole fabric with the dust.

REPUDIATION IN MISSISSIPPI.

From the London Morning Chronicle, September, 1850.

THE fiscal history of several of the States of the American Union itself, during the last ten years, has surrounded almost every financial question connected with that part of the world with an atmosphere of suspicion and uncertainty which is exceedingly prejudicial to the interests of the Anglo-Saxon race on both sides of the Atlantic. We gladly admit that, out of the seven States of the Union which have disgraced themselves by declarations, more or less decisive, of the doctrines of Repudiation, six have entered into *bonâ fide* and specific arrangements for the redemption, sooner or later, of their credit and their good name. Pennsylvania, Maryland, Michigan, Indiana, Illinois, and Louisiana have become, positively or contingently, honest; and Mississippi is the only community which still persists in retaining the badge of its degradaion.

Not the least extraordinary and disgraceful circumstances connected with the debt of Mississippi are the comparatively insignificant amount of the claim against her, and her own great and increasing resources. In no sense or degree does the refusal of Mississippi to redeem her engagements arise from positive inability. The debt in question does not exceed five millions of dollars, — say, one million sterling, — advanced in the year 1838, for the capital of the Union Bank, and carrying an interest of five per cent., or exactly £50,000 per annum. For the sum, therefore, of fifty thousand pounds a year, the people of Mississippi have apparently become convinced that it is worth while to sacrifice the character of their State, — to exclude themselves in a great measure from intercourse with the respectable part of their species, — and to maintain a perpetual and deepening stigma upon the cause of liberty and popular institutions. If the country were poor, — if its soil were sterile, its extent insignificant, its people diminishing, and its resources pared down to the quick, — there might be some palliation for conduct so openly at variance with every maxim of honesty and prudence. But the precise contrary is the truth. The territory included in the State of Mississippi enjoys a preëminence even among the most favored of the communities which recognize the Federal government at Washington. It takes its name from the great river which drains into the Mexican Gulf the superflous waters of the whole middle region of the North American continent; and, for two hundred and sixty-five miles along the lower and the richest line of that river, Mississippi occupies its western bank. It is

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daily enriched without any exertion of its own; for every circumstance and every accident which contributes to swell the population who dwell on the higher branches of the Mississippi, the Missouri, and the Ohio rivers, increases the traffic on the lower waters of that mighty confluence of streams. The State of Mississippi is the Holland of the central regions of North America. She is placed on the delta of the chief lines of water communication through which alone the larger part of the external commerce of those regions can find a passage, and by which the greater portion of their imported commodities must be conveyed. The Dutch have become rich and illustrious, notwithstanding that their country is little more than a sand-bank, and a mere speck on the map of Europe. But Mississippi occupies a surface equal to the whole of England and Wales. In point of fact, she is one of the largest States of the Union; and the natural resources of her soil have excited the admiration and amazement of every person who has examined them.

These are the general outlines of the picture, and when we turn our attention to the details, we arrive at equally striking results. Between 1830 and 1840 the population of Mississippi very much more than doubled itself; and when the census of the present year shall be completed, we entertain no doubt that, in point of numbers, the citizens of that State will be found to occupy a position so favorable as to be in some degree disproportionate to their general standing in the federal commonwealth. Between the years 1840 and 1846, the revenue derived from the sale of her public lands increased nearly sevenfold; and it must be borne in mind that, among the new Western States, the rapidity with which the public domain is absorbed by fresh settlers is one of the strongest proofs of substantial progress. Notwithstanding, however, this great increase in the demand for land, the State had still on hand, on the 30th of June, 1845, no less than 10,409,034 acres of surveyed and registered lands, awaiting the appearance of purchasers. And if we estimate the value of these at no more than the very moderate price of two dollars and a half per acre (the rate assumed by the commissioners of the State), it will appear that Mississippi possesses, in her unappropriated public domain alone, a fund equal to five and a half million pounds sterling, — or more than five times the principal, and more than a hundred times the interest, of the debt which she disgracefully persists in disclaiming.

But further, we have at this moment before us a copy of the official budgets of Mississippi for the years 1846, 1847, and 1848; and what are the prominent facts which these documents disclose? Not, certainly, that the people of Mississippi are poor and helpless. In 1846, the number of taxable acres in the State was 15,232,389, and in 1848 the area of assessment had expanded to 16,019,488 acres; that is to say, in two years it had increased five per cent. The whole amount of public taxes annually collected within the State was under $380,000, or £76,000; and the burden of these was limited to an infinitesimal assessment on most of the principal kinds of real and personal property. We find, for example, entries of the amount of duty levied on pleasure carriages, race, saddle, and harness horses, gold and silver plate, pianos, pistols,

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bowie-knives, "slaves under sixty years," and "free male negroes." This is certainly not a list of fiscal objects which could be furnished by a starving and exhausted community.

By the evidence, then, of their own public documents, the people of Mississippi possess the *means* of payment. This is a fact as plain as it is important; and, having fairly ascertained that, in calling upon them to fulfil their engagements, we are not making a demand with which it is impossible or even difficult for them to comply, we shall examine, on an early day, the nature and the validity of the pleas by which they have attempted to deceive their own consciences and to delude others.

LAWSON'S HISTORY OF BANKING.

[From the London Spectator, September 28, 1850.]

The History of Banking; with a Comprehensive Account of the Origin, Rise, and Progress of the Banks of England, Ireland, and Scotland. By William J. Lawson.

THIS volume has a wider range than some late books on banks and banking, or than its own title would imply. Taxes, and coin to pay them with, have existed in this country since the time of the Romans. As soon as there is sufficient order in society (lawless as it still may be) to warrant the journeys of a commercial traveller, the money-changer springs up in large towns; for without him a man might be in the position of Midas, and starve with gold and silver in his possession, or be fleeced more completely by the amateur than by the regular dealer, — as indeed is usually the case. How credit originates is not easily told; its beginning, like other indispensable acts, is lost in the lapse of ages. But credit proper — goods "upon tick" — perhaps arose nilly-willy; those took "who had the power," and satisfied their conscience with a promise to pay. Banking proper — the deposit of valuables for security, to be returned on demand — originated in trust, in the confidence the depositor felt in the honor of the person trusted. A money order was perhaps antecedent to the money-changer, and if not anterior to writing itself, was anterior to it as a general accomplishment; a ring or other token answering the purpose of the modern check. The bill of exchange has been attributed by many, including David Hume, to the persecution of the Jews during the Middle Ages. That it had an Oriental origin is probable, but the thing itself must have been nearly contemporary with distant trade and deposited valuables. When the first money-order was transferred by the necessity or convenience of the holder, there was essentially a bill of exchange, though a modern lawyer or bill-broker might say no, on account of its want of form. As nations grew richer, trade increased, and law as a parallel cause was better enforced; credit, deposits, and that substitute for *ready* money, a bill of exchange, increased too; till the money-changer and goldsmith passed into the banker, and the law of bills and bankers' checks was established on the usages of trade. To effect this, took many ages in all countries; bank-

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ing was practised in Italy some centuries before it was established in England; efforts were made by far-seeing men or by premature projectors to force public banks in England, more than half a century before the wants of the general public permitted success. The real growth of the system, when society was ripe for it, is read in the history of the house of Smith, Payne, and Smith.

"In a borough town of importance in one of the North Midland counties dwelt a respectable draper, possessing a good connection with the farmers frequenting the market of the town. Although the name of Robin Hood had long lost its terrors, those of Turpin and Nevison filled all men's minds with fear,—and with good reason; for they and their fraternity exercised their calling with such energy and success, that it was always a matter of doubt with travellers whether or not they should arrive in safety at the next inn, or their destination, whatever that might be. With the farmers above alluded to there were more than ordinary grounds of alarm: the town, almost adjoining the scene of the far-famed exploits of Robin Hood and his merry men, was admirably situated for a levy by their less romantic successors of extemporaneous taxes. To avoid as much as possible the losses thus arising, farmers, having full confidence in the honesty of the draper with whom they dealt, made him the depositary of their ready cash. Ready cash of his friends was to our draper as valuable as capital of his own, and buying for ready money was profitable; still money remained idle in his hands; and by degrees he extended accommodation to his neighbours.

"Our draper now became famous for his extraordinary command of money, and his correspondence extended as far as Preston in Lancashire. The profits thus arising seemed boundless, and the next step was taken by our adventurous shopkeeper: he allowed a small interest to his friends the depositors. The new business flourished to such an extent that it swallowed up the old one, and our draper at length became a banker proper, and no more a shopkeeper.

"Such was the origin of the Smiths. First confined to the town of Nottingham, afterwards extended to Hull and Lincoln, the business of the firm required a London correspondent entirely in their interest, and such they found in the late Mr. Payne. And thus was founded the well-known firm of Smith, Payne, and Smith, whose prosperous career it is not our business to follow."

Of all these topics — of ancient coins and coinage, primitive money-changing, bills of exchange, and banking in this country — Mr. Lawson gives what he calls a comprehensive account; but which strikes us as being rather a succinct summary, for it is not distinguished by much grasp or completeness. These things are followed by an elaborate history of the Bank of England, more legal and commercial than personal and anecdotical. English private banking in town and country succeeds to the story of the Bank; next comes an account of the modern Joint Stock Banks; and then the history of Scotch and Irish banking.

Of late years several works upon *banking* have appeared, whose main subject was similar to Mr. Lawson's; so that its leading outlines are not very new. Its greater range of topics and its peculiar treatment, however, give it some variety and even subordinate novelty. It is not so light as Francis's "History of the Bank of England," and some other books limited to stories, anecdotes, and strange incidents. If not so informing about the arcana of banking business, or so homogeneous in its treatment, as Gilbart's "History of Banking," its topics are somewhat loftier, involving ministerial and Parliamentary events. Mr. Law-

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son touches also upon the philosophy of currency, but we think not very soundly in some points. He is for free trade in banking, one-pound notes, and the abolition of the Bank of England's monopoly as regards partnership and issue; while, with such opinions, he is naturally no favorer either of Peel's Currency Bill or of his last Bank Act. But he might have looked back upon the sad scenes of mismanagement, ruin, and suspension of cash payments, which it has been his duty to chronicle and comment upon, and compare them with the quieter state of matters now. In this comparison, of course, allowances should be made for sounder knowledge, and the wider dissemination of that knowledge. Pitt, however, might have learned from Adam Smith that there is no check to over-issue of paper but the liability to pay in gold: it is clear that when the minister boasted that the Bank Restriction Act was the same as if he had discovered a "mountain of gold," he was unacquainted with the first principles of currency or of true wealth; which, indeed, is shown by his whole conduct in the matter.

Mr. Lawson himself is a practical banker, who has lived since he left the Blue Coat School in the atmosphere of the "shop." His attention has been directed to the traditions of the craft, with which he varies his narrative. These are reminiscences of the old Bank.

"The original extent of the Bank comprehended the site of the house and garden formerly belonging to Sir John Houblon, one of the first directors, and was comparatively a small structure, quite invisible towards the street, the entrance being through an arched court, surrounded by many other buildings: viz. a church called Saint Christopher le Stocks, three taverns in Bartholomew Lane, and two on the south side, and upwards of twenty private houses; the whole of which have been removed.

"That part which formed the church-yard of Saint Christopher's has been preserved, and is now called the Garden; it is inclosed within an iron fence, and surrounded on all sides by the offices of the establishment. One of the clerks, of the name of Jenkins, lies buried in this consecrated ground. The cause of his interment in such a place arose out of a fear, as expressed by his friends, that in consequence of his singular height (he was upwards of seven feet) his body would be exhumed if it were buried in any other place."

Here are some particulars about the directors, and the interior economy of the place.

"The Directors of the Bank are chosen from among the proprietors of stock who are merchants of the city. A banker is never admitted to a seat in the direction; it is difficult to account for this exclusion, but the fact is so.

"On several occasions we have disapproved of the conduct of the Bank; yet we freely admit that, extensive as our researches have been into its transactions, we have never found a single instance in which a Director of the Bank has taken advantage of his situation by making it subservient to his private interests. This is a degree of virtue highly and loudly to be commended, in these degenerate days. No Director ever holds more stock, during office, than the requisite qualification of £2,000; and the Governor, when his year of office expires, immediately reduces the amount of his stock, which during his management has been doubled, to its original amount. As a strong instance of the truth of this assertion, when in 1816 the very large bonus of twenty-five per cent. increase of capital was given to the proprietors, 'the Bank Directors,' according to the evidence of Mr. Horsley Palmer, before the Committee on the Bank Charter, 'remained, as they were before, small proprietors of stock.' . . . . .

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"It is incumbent on the chief cashier or his deputy to reside within the walls of the Bank. The apartments appropriated to such officer are refurnished on the appointment of every new cashier, and according to his own taste, at a cost not exceeding a certain amount, but which is always very ample.

"All the avenues of the Bank are closed by eleven o'clock at night, and the keys of the several gates are at that hour delivered into the custody of the chief cashier or his deputy; after which no person is permitted, on any pretence whatever, either to leave the premises or gain admittance."

So respectable a body require respectable servants; and they seem to have been fortunate in their selection. The celebrated Abraham Newland's portrait illustrates the volume. There is regularity in every line of the face, and a suave firmness which it would cost nothing to say "No." Their late cashier was also a business treasure.

"The late Mr. Rippon, chief cashier of the Bank of England, furnishes an extraordinary instance of the manner in which the mind becomes warped by continued and close application to business. He always declared he felt himself nowhere so happy as in his business; and, though for upwards of fifty years in the Bank, he never solicited but one holiday, and that was on the recommendation of his medical adviser, on account of ill health. The permission for leave was instantly granted, and he left London with the intention of being absent a fortnight; but the ennui of an idle life and the want of his usual occupation so preyed upon his spirits, that he actually returned to the Bank at the expiration of three days, stating as a reason that green fields and country scenery had no charms for him.

"Mr. Rippon was always remarkable for his sound judgment, preciseness, and extreme punctuality; and his long services and habits of economy enabled him to leave behind him a fortune of £60,000."

Amid the vast changes of the last eighty or a hundred years, perhaps the greatest has taken place amongst the upper class of manufacturers, bankers, and professional men. The great merchant was always a great man; for he commanded the sinews of war, frequently its ships, and sometimes its weapons, to a far greater extent in rude than in refined times. The manufacturer and the banker is a new growth, and only lately, with the lawyers, jumped into gentlemen, — perhaps without greatly improving the breed.

"Among the earliest goldsmiths whose business was subsequently merged into that of banking as at present conducted, was Mr. Francis Child, citizen and goldsmith, who established himself in Fleet Street, at the east corner of Temple Bar, and on the same spot where the business is still carried on. He lived to a great age, and was a person of large fortune and a most respectable character. The next in point of antiquity was the present house of Strahan, Paul, & Co. This bank was originally founded by Mr. Jeremiah Snow, who carried on business as a goldsmith, or what in modern phraseology is better known by the name of pawnbroker. His name appears among the goldsmiths or bankers who were robbed by Charles the Second. By the kindness of the gentlemen at present carrying on the business of the bank, we have been favored with the privilege of inspecting the books of the bank so early as the year 1672. They show that the nobility of the land were in the habit of frequenting their shop, and borrowing money on the deposit of various gold and silver articles, such as gold and silver tankards, golden thimbles, and other valuables of a very miscellaneous and sometimes comical description.

"Not many years after the London bankers had ceased to issue notes, the inconvenience of making all payments in Bank of England notes and gold had be-

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come so great that some change was indispensably necessary; when the plan of adjusting each other's daily payments by an interchange of liabilities was adopted as the best mode of economizing the use of money.

"At first the system adopted was of the most primitive kind, and certainly not the safest. The clerks of the various banking-houses used to perform the operation of exchanges at the corners of streets and on the top of a post; they then met by appointment at a public-house; but, from the insecurity of these arrangements, it was at last thought best that the principal city bankers should rent a house near the old Post-Office in Lombard Street. This house was called the Clearing-House. . . . . .

"The bearing of devices over the doors of shops, and other places of business, was a very common practice before the introduction of the plan of numbering the houses, which did not take place till about the year 1770.

"The sign of the house in Bread Street where Milton's father resided was a spread eagle, which appears to have been the arms of that family.

"Remains of this custom are still to be observed in several parts of the metropolis; and, in reference to that particular vocation which forms the subject of our pages, the reader is informed that Messrs. Hoares, the bankers in Fleet Street, retain to this day over the door the symbol of a leather bottle, gilt; and the same was also represented on their notes which they formerly issued.

"Messrs. Gostlings also retain their sign of three squirrels; and Strahan, Paul, & Co., the sign of the golden anchor. . . . . .

"The manner of conducting the business of banking was in those days very different to the present. The banker used to attend 'Change, which was usually over about half past two o'clock; he would then go to dinner, and afterwards not unfrequently to the theatre; when the banker would return to Lombard Street, and commence writing his business letters, which he would send to the post-office in time to be despatched by that night's mail, leaving London at twelve o'clock; not, however, in the manner of mail-coaches, with guard and coachman, or railways, as at present, but by post-boys, who carried the letters in bags slung across the horse's back. This mode of conveyance was naturally very hazardous; and it was no uncommon thing for a post-boy to be attacked by highwaymen, his mail seized, and himself shot if he made resistance.

"The above particulars were related to us by a clerk who had been upwards of fifty years in the house of Barclay, and who in fact was one of the earliest clerks in the new bank.

"He used to tell an amusing story of the first appearance of a new clerk. It appears that the staff consisted of three clerks only; and on the occasion of the third coming to the office for the first time, he was dressed after the following fashion: — he wore a long flapped coat with large pockets; the sleeves had broad cuffs with three large buttons, somewhat like the coats worn by the Greenwich pensioners of the present day; an embroidered waistcoat reaching nearly down to his knees, with an enormous bouquet in the button-hole; a cocked hat; powdered hair with pig-tail and bag-wig; and gold-headed cane, similar to those of the present day carried by the footmen of ladies of rank.

"The gentleman who cut so curious a figure remained in the house many years, and died a few years ago at a very advanced age, much respected by his employers."

We take leave of Mr. Lawson's book with some particulars relating to the manufacture of bank-notes.

"About the year 1819, a great outcry was raised against the Bank for not adopting a style of note which could not be imitated, and thus prevent the sad sacrifice of life which, unhappily for the country, about this period was too common. The subject at last became so pressing, that the government appointed commissioners to investigate the causes of the numerous forgeries, and whether a mode could be devised whereby the forging of bank-notes might be prevented.

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"Previous to this investigation, the Directors of the Bank had been endeavouring to remedy the evil, many plans having been submitted to them, all of which they were obliged to reject. At one time they were about to adopt a curious and very costly machine for printing the note on both sides so exactly alike as to appear one impression; when a workman came forward and showed that the same thing might be done by the simple contrivance of two plates connected by a hinge.

"The commissioners, as a means of facilitating their inquiries, requested the Court of Directors would furnish them with such rejected plans, by which it appears they received a hundred and eighty projects for their adoption: these, together with the correspondence which accompanied them, were regularly classified and arranged. A statement of trials to which they had been subjected, specimens of the proposed originals, and of the imitations executed by the Bank, were also submitted to the commissioners.

"The Bank also placed before the commissioners seventy varieties of paper made at their manufactory by way of experiments, in which almost every alteration recommended for adoption had been tried, and in some instances anticipated by the manufacturer. . . . . .

"The color of the paper is peculiar, and cannot exactly be imitated by a forger except at great expense. The combined thinness and strength of the paper is also unique. The paper is made in pieces large enough for two notes; each note before it is sized weighs about eighteen grains, and if then doubled it is strong enough to suspend a weight of thirty-six pounds; with the addition of about a grain of size it will suspend fifty-six pounds. The texture of the paper is also peculiar; it has a crisp feel, invariably the same, and such that bank clerks of experience can readily detect forgeries by this test alone.

"Then the wire-mark, impressed in the making by a frame, costly to make and difficult to use, is practically inimitable. Each note has thin rough edges, uncut, not to be produced by any mode of cutting paper that is not made expressly for the purpose. The paper for printing is damped with water in the exhausted receiver of an air-pump.

"The ink used in the plate-printing is made of Frankfort black, which is composed of the charcoal of the tendrils and husks of the German grape ground with linseed oil. This ink has a peculiar and very deep shade of black, common black inks being tinted either with blue or brown."

Gold. — Gold is the good thing which man has in all ages striven to possess. From the days of Abraham to the diggings in California, the precious metals have ever been regarded as the measure of the value of other commodities. Whilst, therefore, we have all veneration for the thesis of Adam Smith, that labor is the true basis of wealth and prosperity, we must now beg leave to deal simply with coin as the regulator of the cost of goods. For, if prices have varied with the increase or diminution of the quantity of the precious metals, this question naturally presents itself: — Are the recent discoveries in Siberia and California to be viewed as the dawn of a new monetary era, analogous to that great disturbance of the precious standard which took place when the treasure of the New World was first let loose upon Europe? No wonder that the bare announcement of such *a possibility* has thrown our countrymen into a feverish and uneasy mood. Is gold, the agriculturist eagerly asks, so to pour in upon us that I shall get double the quantity of it for my load of wheat? Am I, says the fundholder, only to procure half my usual supply of bread for the same yellow sovereign?

We entreat the honest farmer, on the one hand, not to be cajoled by the golden visions of enthusiasts; and, on the other, we would insure all annuitants against any sensible — certainly against any permanent — depreciation of their incomes, for the payment of the tax, be it light or heavy, of reading this article, — in which we humbly propose to indicate the outlines of what may be called "the General Gold Restriction Bill of Nature." — *London Quarterly Review, October*, 1850.

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THE FARMERS' BANK OF KENTUCKY.

THE charter for this institution was passed in February last. The following is a synopsis of the act, as approved by Governor Crittenden, on the 20th of that month : —

Section I. Capital limited to twenty-three hundred thousand dollars, in shares of one hundred dollars each.

II. Parent bank to be located at Frankfort, with seven branches or "offices of discount and deposit," viz. Covington, Princeton, Henderson, Bardstown, Maysville, Mount Sterling, Somerset. Its business shall be "to loan money, discount promissory notes and bills, and deal in exchange; and it may issue bills and bank-notes, payable to bearer on demand, at any of its offices of discount and deposit, but not of less denomination than one dollar."

III. The issues of the bank to be signed by the president and cashier; and no "checks or orders" to be issued, payable to any person, or to order, to circulate as bank-notes.

IV. The liabilities of the bank (exclusive of deposits) shall not at any one time exceed twice the amount of its capital stock paid in. The president and directors individually liable for any excess of the bank's liabilities beyond this sum.

V. The bank liable for six per cent. interest, until paid, upon its issues, when redemption in gold or silver is refused "at the office of discount and deposit where the same shall be payable"; and for such failure, the charter shall be forfeited; and, after such declaration of forfeiture, the bank "shall cease to exercise any of its powers or privileges."

VI. The bank to be managed by seven directors, who shall have been stockholders three months prior to the annual election, in May of each year.

Directors or officers of other banks to be ineligible as directors in the Farmers' Bank. The seats of directors, whose paper may be under protest, shall be vacated.

VII. Stockholders at elections entitled to one vote for every share held below fifty. For every five shares between fifty and one hundred, one vote. For every twenty shares over one hundred, one vote.

The president, cashier, officers, and directors not entitled to vote by proxy.

VIII. The president to be chosen from among the directors. Cashiers, agents, and clerks to be appointed by the board.

IX. Any four of the directors authorized to frame by-laws, rules, regulations, &c., for the government of the bank.

X. Meetings of the directors to be held once a week. All questions to be decided *vivâ voce.*

XI. President and directors authorized to establish seven branches, viz. : —

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1. Covington,	Kenton County, with a capital of	$600,000
2. Maysville,	Mason County, " "	400,000
3. Princeton,	Caldwell County, " "	300,000
4. Henderson,	Henderson County, " "	250,000
5. Mount Sterling,	Montgomery County, " "	200,000
6. Bardstown,	Nelson County, " "	150,000
7. Somerset,	Pulaski County, " "	100,000
8. Frankfort,	Franklin County (*Parent Bank*),	300,000

XII. Seven directors to be chosen for each branch, under the same restrictions as at the parent bank. Vacancies in the branch boards to be filled by the parent bank, and the latter to establish rules and regulations for the government of all the branches.

XIII. Cashiers of the branches to be appointed by the parent board. Other officers of the branches to be appointed by each branch respectively.

XIV. No dividends to be declared until a surplus fund is created of $ 10,000 for every million of dollars of capital (*or, one per cent.*). Dividends to be declared in January and July. President and directors liable for any surplus dividend declared that shall reduce the contingent fund of one per cent.

XV. The cashier of the parent bank to pay into the State treasury, annually, a tax of one half of one per cent. on the capital paid in.

XVI. Salaries to the presidents of the bank and branches to be allowed by the parent board; but no allowance to directors unless by a vote of the stockholders.

XVII. The president and directors to make a quarterly examination of the accounts of the cashier, and of the general affairs of the bank.

XVIII. The cashier and subordinate officers of the bank prohibited from engaging in any business apart from that of the bank.

XIX. Embezzlement of the funds of the bank by either of its officers or agents is declared to be felony, and shall be punished by confinement in the penitentiary for not less than five, nor more than twenty years.*

XX. The journal of proceedings of each board to be carefully kept, and subject to the inspection of any committee appointed by the Legislature to inquire into the condition of the bank.

XXI. Annual statements to be made to the Legislature, showing the capital stock of the bank, real estate, loans, coin on hand, circulation of the bank and of other banks held by it, dividend or dividends, and surplus profits.

XXII. The president and other officers of this bank, before entering on the discharge of their duties, shall take an oath to fulfil such duties faithfully and honestly.

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* By the nineteenth section, the printed charter provides, that, if any officer of the bank shall knowingly "defraud the corporation or any person," he shall be liable to imprisonment, &c. This we presume is a typographical error, although inserted in the *body* of the text.

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XXIII. The bank limited to six per cent. interest, in advance, in all its loans.

XXIV. The stock declared to be personal property, and transferable according to the rules adopted by the board of directors.

XXV. Certificates of deposit, bank-bills, bills of exchange, post-notes, and orders issued by the bank, to be signed by the president and cashier. Those payable to order to be transferable by assignment. Those payable to bearer to be transferable by delivery.

XXVI. Annual meetings of the stockholders to be held the first Monday in May, each year.

XXVII. The bank to be subject to investigation by any committee appointed for this purpose by the Legislature.

XXVIII. The General Court to try the forfeiture of charter, for any alleged violations thereof.

XXIX. Commissioners named, under whose direction the stock shall be subscribed.

XXX. The commissioners to keep the books open for subscription until five thousand shares shall be taken. The commissioners at Frankfort may appoint other commissioners, in any other city, to receive subscriptions to the capital stock.

XXXI. The subscription books, after having been closed, to be reopened at the request of a majority of the commissioners.

XXXII. The subscription books may be opened at any time by order of the board of directors, until the whole twenty-three thousand shares shall be subscribed, — and any premium realized to be the profit of the bank.

XXXIII. As soon as five thousand shares are subscribed, the commissioners to give at least thirty days' notice of the day fixed for the election of directors to serve until the first annual election.

XXXIV. Five dollars on each share subscribed to be paid when so subscribed, five dollars in ten days after the first election of directors, twenty dollars per share within sixty days, and the remainder according to orders of the board.

XXXV. The board may forfeit all shares on which the subsequent payments may not be made, — and the original subscription money on such shares to be held by the bank.

XXXVI. The Governor authorized to issue his proclamation, authorizing the bank to commence business, whenever one hundred and fifty thousand dollars in coin have been paid in.

XXXVII. If any stockholder, being a non-resident of the United States, shall vote by proxy or in person, his stock shall be forfeited for the use of the bank.

XXXVIII. The bills of the bank to be receivable for all dues to the State, or for county levies.

XXXIX. No one eligible as director unless owning the stock in his own right.

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XL. The president and directors forbidden to be "security or accommodation indorser on any note or bill discounted by the bank," under a penalty of $ 5,000.

XLI. No loans to be made on the pledge of the stock of the bank. The stock of the bank not be taken in payment of debts due the bank.

XLII. Semiannual statements to be prepared by the cashier, showing the amount due by each individual, and the names of indorsers or securities.

XLIII. The bank authorized to purchase bonds or scrip issued by the State (*of Kentucky*), to an amount not exceeding one half of the capital stock.

XLIV. Notes under five dollars may be issued, signed by the cashier or president alone.

XLV. Transfer books to be kept open under the direction and orders of the board of directors.

XLVI. A branch of the bank may be established in Russellville, with a capital of $ 150,000, provided the capital be subscribed by residents of Logan County, within twelve months after the parent bank shall commence operations. Such capital to be added to the capital authorized to the parent bank and branches before enumerated.

XLVII. If the Russellville branch shall not go into operation, then a branch is authorized at Georgetown, in Scott County, with a capital of $ 50,000. Such new capital to be subscribed by citizens of that county.

The Farmers' Bank of Kentucky.

Books of subscription to the stock of this new institution have been opened in New York, at the offices of Winslow, Lanier, & Co., and Ward & Co., Wall Street; and in Philadelphia, at the office of C. Macalister. The following advertisement of the commissioners appears in the daily papers: —

Farmers' Bank of Kentucky. — *Subscription to* $ 500,000 *of the Capital Stock of the Farmers' Bank of Kentucky.* — The undersigned having been appointed by the Board of Directors of the above-named bank their agents in this city, to receive subscriptions to its capital stock, to the amount of $ 500,000, give notice that books for that purpose are now open at the office of Winslow, Lanier, & Co., No. 52, Wall Street, where subscriptions will be received until further notice.

Five thousand shares of $ 100 each are authorized to be sold at par.

Thirty dollars on each share must be paid at the time of subscribing, — twenty dollars on the 15th of January next (1851), the residue subject to call by the Board of Directors. Parties at the time of subscribing may, however, pay for their shares in full, if so disposed.

This bank was chartered by the Legislature of Kentucky at its last session, to supply in part the demand for more capital growing out of the wholesome business wants of the citizens of the State, the present banking capital being altogether inadequate.

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The charter is liberal in its provisions, has thirty years to run, with no power reserved by the Legislature in any wise to alter or control it.

The capital stock is $2,300,000, of which about $700,000 has already been taken in Kentucky; the residue, excepting the $500,000 here offered, will be taken by citizens of that State, and elsewhere.

The bank, with several of its branches, is now in operation. The mother bank is located at Frankfort, the seat of government.

The State of Kentucky is believed to be a most favorable and secure location for banking capital. The exports of the State are very great, consisting principally of hemp, corn, cattle, horses, mules, hogs, bale rope and bagging, &c., &c., to facilitate which large amounts of exchange on the South and North are offering to the banks.

The high credit of the State of Kentucky, and that of her banks, is evidence of what this new bank will be. The credit and standing of her banks is equal to that of any other State in the Union. Their notes form an important part of the circulating medium of the Mississippi valley, passing current from Pittsburg to New Orleans.

No banks are better managed, their current dividends now being from eight to ten per cent. per annum, with large accumulations of surplus or reserve funds, and their stocks now considerably above par in market.

The charters of perhaps most or all the other banks in the Western and Southwestern States expire within the next twelve years.

The Farmers' Bank of Kentucky, having thirty years to run, will have a field of circulation of great value to its stockholders.

The management of this bank is in highly respectable and able hands.

The Directors think that they will be able to pay dividends equal to any other bank in the State.

Mr. Hanna, the President of the Bank, is now in this city. He will be happy to give any additional information. He may be found daily, for a short time, at the offices of the undersigned.

Pamphlet copies of a statement and charter of the bank may be had on application to us.

WINSLOW, LANIER, & Co., No. 52, Wall Street.
WARD & Co., No. 54, Wall Street.

New York, 24th October, 1850.

New banking institutions have been established in Kentucky, Mobile, New York city, and at other points. The most important is the Farmers' Bank of Kentucky, chartered in 1850. The bank and branches have commenced operations as follows:—

LOCATION.	*President.*	*Cashier.*	*Capital allotted.*
Frankfort,	John H. Hanna,	John B. Temple,	$300,000
Covington Branch,	C. A. Withers,	Charles B. Sanford,	600,000
Maysville "	J. P. Dobyns,	James A. Johnson,	400,000
Princeton "	Francis W. Ury,	Charles B. Henry,	300,000
Henderson "	Owen Glass,	David Banks,	250,000
Mt. Sterling "	Richard Apperson,	Thomas C. Barnes,	200,000
Somerset "	Cyrenius Waite,	John G. Lair,	100,000

The subject of branches at Bardstown, Russellville, and Georgetown is not yet settled by the parent board at Frankfort.

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BANK CIRCULATION IN OHIO.

To the Editor of the Bankers' Magazine.

Ohio, October, 1850.

In the October number of your Magazine, in your editorial remarks, I notice you state there is an unpleasant feeling existing between the Indiana banks and those of Ohio, arising from recent calls for specie. I would merely say, that there is something of the same feeling between the banks of Ohio themselves from the same cause.

This all arises from an association at Cincinnati, termed the Ohio Bank Agency, of which, perhaps, you have not been made fully acquainted. Supposing that to be the case, I have presumed to inform you of a few of the leading features of this establishment, that has created so much excitement among the banks of Ohio.

It seems the Ohio Bank Agency was established for the purpose of making the issues of the banks equal to coin throughout the State, by furnishing Eastern exchange for the same at all times, at about the cost of the transportation of coin, and with the view of preventing the evils and disadvantages incident to high rates of exchange. To carry out the above design, the following basis, in brief, was adopted. That all the banks should contribute to the Agency, in proportion to their average circulation, such sums as an advisory committee might deem adequate,— not exceeding ten per cent. of their circulation, — in exchange on New York and Philadelphia, to be deposited with the Agency in Cincinnati. The Agency at all times to sell exchange at rates that would prevent the shipment of specie to the East. As often as practicable, the bank-notes taken at the Agency to be assorted, and those of the banks forming the association sealed up, charged to each bank, and the bank notified; upon which such bank, by first mail, must remit the amount so reported to the deposit of the Agency in New York, to their credit. The notes sealed up subject to the order of the bank to which they belong.

The notes of all non-associated banks to be returned to their counters for redemption in coin.

The business of the Agency to be confined to the purchase and sale of sight exchange, and of coin in cases of necessity.

The expenses of the Agency to be paid by the interest on Eastern deposits, and other incidental profits of the Agency.

The associated banks, in proportion to their contribution, elect a supervisory committee, composed of seven members, taken from stockholders of the Ohio banks.

All sound specie-paying banks of Ohio, and such banks of neighbouring States as the committee may invite, shall be admitted into the association.

The above are the general outlines of the Ohio Bank Agency, which went into operation at Cincinnati, by making the Ohio Life Insurance Trust Company the agent, and B. Homans, Esq., Manager. But a few months elapsed before a cloud arising in the financial horizon betokened a storm. A call soon issued for a meeting of the non-associated banks at

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Zanesville, Ohio, which was generally attended by representatives from the banks of the northern and eastern portion of the State, they generally having refused to associate with the Agency. Preliminary steps were here taken for a strong resistance to the Agency, and the subsequent meeting of the Board of Control, which met soon after, changed the aspect of affairs wonderfully. A compromise, however, was agreed upon at the meeting of the Board, and the Agency continued, with some new features, and strong hopes of success; but the majority of the banks that had refused before still held off. Under this condition of things, hostile feelings began to arise between the associated and non-associated banks, and the President of the Board of Control, fearing danger to the whole banking system, issued an order for all of the branches to withdraw from the Agency. This order was generally complied with, with the exception of the Cincinnati banks and those adjacent.

The founders and managers, being thus thwarted in their calculations, let malice govern their actions, and made every effort to collect all the paper of the banks that had refused to go into the agency, and return them in large amounts, for redemption in nothing but silver coin.

The Indiana banks were among the number that were invited to join the association, but refused; hence the difficulty that now appears. The Agency collects large amounts of the issues of the Indiana banks, and returns them for coin, hoping to coerce them into measures. The Indiana banks retaliate in the same way. Some of the branches, however, fare no better than the Indiana banks in this respect.

The majority of the Ohio banks and those of Indiana are on terms of friendship, and are working together for the same end, namely, to abolish the Agency, and share the profits of legitimate banking, which the banks of Cincinnati, it seems, would like to monopolize, and make all other banks in the State subservient to their interests.

☞ *Our readers are referred to p.* 514 *for remarks on this subject.*

GILBART ON BANKING.

A PRACTICAL TREATISE ON BANKING. By James William Gilbart, Esq., F. R. S., General Manager of the London and Westminster Bank.

PART I. — Of Practical Banking. *Section* I. The Nature of Banking. II. The Utility of Banking. III. Banking Terms. IV. The General Administration of a Bank. V. The Administration of a Bank with regard to Proceedings on Bills of Exchange. VI. Employment of Surplus Funds. VII. Seasons of Pressure. VIII. The Bank Act of 1844. IX. The Bank of England. X. Joint Stock Banks. XI. The Administration of the Bank — Clerks — Duties — Salaries — Promotions — Discipline — Training. XII. Bank Book-Keeping. XIII. Banking Calculations. XIV. Banking Documents — Bonds, Letters of Credit, &c.

PART II. — Of Banking Institutions. I. The Bank of England. II. London Private Banks III. Joint Stock Banks in London. IV. Country Private Banks. V. Country Joint Stock Banks. VI. The Banks of Scotland. VII. The Banks of Ireland. VIII. Moral and Religious Duties of Banking Companies IX. Ten Minutes' Advice about Keeping a Banker. X. Summary.

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[We commence in our December No. the republication of Mr. Gilbart's *Practical Treatise on Banking*, from the fifth London edition. Each No. will contain about thirty-six pages, until the whole work shall be completed.] *Ed. Banker's Magazine.*

"This book is designed to be useful to the public at large, by circulating that kind of information which, as it becomes more widely diffused, will tend to prevent a recurrence of those evils that have, in too many instances, resulted from the bad administration of some of our banking institutions."

A PRACTICAL TREATISE

ON

BANKING.

PART I. — OF PRACTICAL BANKING.

SECTION I. — THE NATURE OF BANKING.

"WHAT is it that we call a Banker? There is in this city a company or corporation called goldsmiths, and most of those called bankers are of that corporation; but so far as I know, there is not a company or corporation in England called bankers, nor has the business any definition or description, either by common law or by statute. By custom, we call a man a banker who has an open shop, with proper counters, servants, and books, for receiving other people's money, in order to keep it safe, and return it upon demand; and when any man has opened such a shop we call him a banker, without inquiring whether any man has given him money to keep or no; for this is a trade where no apprenticeship is required, it having never yet been supposed that a man who sets up the trade of banking could be sued upon the statute of Queen Elizabeth, which enacts, that none shall use any art or mystery then used, but such as have served an apprenticeship in the same." (Speech, delivered in the House of Commons, in 1746. See the *London Magazine* for that year, p. 120.)

The term bank is derived from *banco*, the Italian word for bench, as the Lombard Jews in Italy kept *benches* in the market-place, where they exchanged money and bills. When a banker failed, his bench was broken by the populace; and from this circumstance we have our term *bankrupt*.

A banker is a dealer in capital, or, more properly, a dealer in money. He is an intermediate party between the borrower and the lender. He borrows of one party and lends to another; and the difference between the terms at which he borrows and those at which he lends, forms the

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source of his profit. By this means he draws into active operation those small sums of money which were previously unproductive in the hands of private individuals; and at the same time furnishes accommodation to those who have need of additional capital to carry on their commercial transactions.

Banks have been divided into private and public. A private bank is that in which there are but few partners, and these attend personally to its management. A public bank is that in which there are numerous partners, and they elect from their own body a certain number, who are intrusted with its management. The latter are usually called joint-stock banks.

The business of banking consists chiefly in receiving deposits of money, upon which interest may or may not be allowed; in making advances of money, principally in the way of discounting bills; and in effecting the transmission of money from one place to another. Private banks in metropolitan cities are usually the agents of the banks in the provinces, and charge a commission on their transactions. In making payments, many country banks issue their own notes.

The disposable means of a bank consist of, First, the capital paid down by the partners, or shareholders. Secondly, the amount of money lodged by their customers. Thirdly, the amount of notes they are able to keep out in circulation. Fourthly, the amount of money in the course of transmission, that is, money they have received, and are to repay, in some distant place, at a future time.

These disposable means are employed, First, in discounting bills. Secondly, in advances of money in the form of cash credits, loans, or overdrawn accounts. Thirdly, in the purchase of government or other securities. Fourthly, a part is kept in the banker's till, to meet the current demands. Of these four ways of employing the capital of a bank, three are productive, and one is unproductive. The discounting of bills yields interest; the loans, and the cash credits, and the overdrawn accounts, yield interest; the government securities yield interest; the money in the till yields no interest.

The expenses of a bank may be classified thus: rent, taxes, and repairs of the house in which the business is carried on; salaries of the officers; stationer's bill for books, paper, notes, stamps, &c.; incidental expenses, as postages, coals, &c.

The profits of a bank are that portion of its total receipts, — including discount, interest, dividends, and commission, — which exceeds the amount of the expenses.

Section II. — THE UTILITY OF BANKING.

In the first place, banks are useful as places of security for the deposit of money. The circumstance which gave rise to the business of banking in this country was a desire on the part of the merchants of London to

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obtain a place where they might lodge their money in security. Every one who has had the care of large sums of money knows the anxiety which attends their custody. A person in this case must either take care of his money himself or trust it to his servants. If he take care of it himself, he will often be put to inconvenience, and will have to deny himself holidays and comforts, of which a man who is possessed of much money would not like to be deprived.

If he intrust it to others, he must depend upon their honesty and their ability. And although, in many important cases, a master is compelled to do this, yet he does not feel the same satisfaction as if the money was actually under his own care. Some instances of neglect or of dishonesty will necessarily occur, and these will occasion suspicion in reference to other parties against whom no suspicion ought to be entertained. Besides, in both these cases the money is lodged under the owner's own roof, and is subject to thieves, to fire, and to other contingencies, against which it is not always easy to guard.

All these evils are obviated by means of banking. The owner of money need neither take the charge of it himself nor trust to his dependants. He can place it in the hands of his bankers. They are wealthy men, and are responsible to him for the amount. If they are robbed, it is no loss to him; they are pledged to restore to him the amount of his deposit when he shall require it. Whenever he wants money he has only to write an order or draft upon his banker, and the person to whom he is indebted takes the draft to the bank, and, without any hesitation or delay, receives the money.

2. The bankers allow interest for money placed in their hands.

By means of banking, the various small sums of money which would have remained unproductive in the hands of individuals, are collected into large amounts in the hands of the bankers, who employ it in granting facilities to trade and commerce. Thus banking increases the productive capital of the nation. At the origin of banking, "the new-fashioned bankers," as they were called, allowed a certain rate of interest for money placed in their hands. The banks of Scotland carry this practice to the greatest extent, as they receive upon interest so low an amount as ten pounds; and also allow interest on the balance of a running account. Many of the country bankers in England allow interest on the balance of a running account, and charge commission on the amount of the money withdrawn. The London bankers generally do not allow interest on deposits, but neither do they charge commission. All their profits are derived from the use of their customers' money. The banks of Scotland do not charge commission, although they allow interest on deposits; but then those banks have a profit by the issue of their notes. The London bankers do not issue notes.

3. Another advantage conferred upon society by bankers is, that they make advances to persons who want to borrow money. These advances are made, by discounting bills, upon personal security, or upon the joint security of the borrower and two or three of his friends, and sometimes upon mortgage. Persons engaged in trade and commerce are thus enabled to augment their capital, and consequently their wealth. The in-

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crease of money in circulation stimulates production. When bankers are compelled to withhold their usual accommodation, both the commercial and the agricultural interests are plunged into extreme distress. The great advantage arising to a neighbourhood from the establishment of a bank, is derived mainly from the additional supplies of money advanced in the form of loans or discounts to the inhabitants of the place. This principle is so well understood in Scotland, that branch banks are sometimes established in poor districts, with a view of obtaining a future profit from the prosperity which the bank will introduce. (Evidence before the Select Committee of the House of Commons upon the Abolition of Small Notes, p. 43.)

4. Another benefit derived from bankers is, that they transmit money from one part of the country to another.

There is scarcely a person in business who has not occasion sometimes to send money to a distant town. But how is this to be done? He cannot send a messenger with it on purpose; that would be too expensive. He cannot send it by post; that would be too hazardous. Besides, the sum may be some fraction of a pound, and then it cannot go by post. The post, too, takes a considerable time, as three letters at least must pass on the transaction. If he live in London he may obtain a bank post bill, but he cannot obtain that in the country; and he may not be able to obtain it in London for the exact sum he wants. How, then, is the money to be sent?

Every country banker opens an account with a London banker. If, then, a person live at Penzance, and wants to send a sum of money to Aberdeen, he will pay the money into the Penzance bank, and his friend will receive it of the Aberdeen bank. The whole transaction is this. The Penzance bank will direct their agent in London to pay the money to the London agent of the Aberdeen bank, who will be duly advised of the payment. A small commission charged by the Penzance bank, and the postages, constitute all the expenses incurred, and there is not the least risk of loss.

Commercial travellers, who are collecting money, derive great advantage from the banks. Instead of carrying with them, throughout the whole of their journey, all the money they have received, when perhaps it may be wanted at home, they pay it into a bank, by whom it is remitted with the greatest security and at little expense; and they are thus delivered from an encumbrance which would have occasioned great care and anxiety.

5. Wherever a bank is established, the public are able to obtain that denomination of currency which is best adapted for carrying on the commercial operations of the place. In a town which has no bank, a person may have occasion to use small notes, and have none but large ones; and at other times he may have need of large notes, and not be able to obtain them. But where a bank is established there can be no difficulty of this kind. The bank issues that description of notes which the receivers may require, and are always ready to exchange them for others of a different denomination. Banks, too, usually supply their customers and the neighbourhood with silver; and if, on the other hand, silver should be too

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abundant, the banks will receive it, either as a deposit or in exchange for their notes. Hence, where banks are established, it is easy to obtain change. This is very convenient to those who have to pay large sums in wages, or who purchase in small amounts the commodities in which they trade.

6. By means of banking there is a great saving of time in making money transactions.

How much longer does it take to count out a sum of money in pounds, shillings, and pence, than it does to write a draft. And how much less trouble is it to receive a draft in payment of a debt, and then to pay it into the banker's, than it is to receive a sum of money in currency. What inconveniences would arise from the necessity of weighing sovereigns. What a loss of time from disputes as to the goodness or badness of particular pieces of money.

Besides the loss of time that must necessarily occur on every transaction, we must also reckon the loss which every merchant or tradesman in an extensive line of business would certainly sustain in the course of a year, from receiving counterfeit or deficient coin, or forged notes. From all this risk he is exempt by keeping a banker. If he receive payment of a debt, it is in the form of a draft upon his customer's banker. He pays it into his own banker's, and no coin or bank notes pass through his hands. If he draw bills, those bills are presented by his banker; and if his banker take bad money it is his own loss.

7. A merchant or tradesman who keeps a banker, saves the trouble and expense of presenting those bills or drafts which he may draw upon his customers, or which he may receive in exchange for his goods. He pays these into the hands of his banker, and has no further trouble. He has now no care about the custody of his bills; no anxiety about their being stolen; no danger of forgetting them until they are overdue, and thus exonerating the indorsers; no trouble of sending to a distance in order to demand payment. He has nothing more to do than to see the amount entered to his credit in his banker's books. If a bill be not paid, it is brought back to him on the day after it falls due, properly noted. The banker's clerk and the notary's clerk are witnesses ready to come forward to prove that the bill has been duly presented, and the notary's ticket attached to the bill assigns the reason why it is not paid. But if any indorser of the bill has given a reference in case of need, that is, if any indorser has written on the back of the bill that some other party will pay it in case the accepter does not, then the notary takes the bill to the referee, and procures the money from him.

This circumstance alone must cause an immense saving of expense to a mercantile house in the course of a year. Let us suppose that a merchant has only two bills due each day. These bills may be payable in distant parts of the town, so that it may take a clerk half a day to present them. And in large mercantile establishments it would take up the whole time of one or two clerks to present the due bills and the drafts. The salaries of these clerks are therefore saved by keeping an account at a banker's. Besides the saving of expense, it is also reasonable to suppose that losses upon bills would sometimes occur from mistakes or over-

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sights, from miscalculation as to the time a bill would become due, from errors in marking it up, from forgetfulness to present it, or from presenting it at the wrong house. In these cases, the indorsers and the drawers are exonerated; and if the accepter do not pay the bill, the amount is lost. In a banking-house such mistakes are not so likely to occur, though they do occur sometimes; but the loss falls upon the banker, and not upon his customer.

8. Another advantage from keeping a banker in London is, that by this means you have a continual referee as to your respectability. If a mercantile house in the country write to their agent, to ascertain the respectability of a firm in London, the first inquiry is, Who is their banker? And when this is ascertained, the banker is applied to through the proper channel, and he gives his testimony as to the respectability of his customer. When a trader gives his bill, it circulates through the hands of many individuals to whom he is personally unknown; but if the bill is made payable at a banking-house, it bears on its face a reference to a party to whom the accepter is known, and who must have some knowledge of his character as a tradesman. This may be an immense advantage to a man in business, as a means of increasing his credit; and credit, Dr. Franklin says, is money.

9. The keeping an account at a banking-house, enables a trader not only to give a constant reference as to his own respectability, but it also enables him to ascertain the respectability of other persons who keep bankers. There are numerous cases in which a trader may wish to know this. A stranger may bring him a bill, and want goods in exchange; or he may have drawn a bill upon a customer, and wishes to ascertain if this bill would be paid before he gave him any further credit. If this bill is not made payable at a banking-house, he can obtain no information. But suppose the bill is made payable at a banking-house; even then he can obtain no information, unless he himself has a banker. If he take the bill to the banker's, at whose house it is made payable, and say, "Gentlemen, I will thank you to inform me if the accepter of this bill be a respectable man. May I safely give goods or money in exchange for it?" They will reply, "Sir, we never answer such questions to strangers." But if the holder of this bill keep an account at a banker's, he has only to ask his banker to make the inquiry for him, and he will easily obtain the most ample information. Among nearly all the bankers in London, the practice is established of giving information to each other as to the respectability of their customers. For as the bankers themselves are the greatest discounters of bills, it is their interest to follow this practice; and indeed the interest of their customers also, of those at least who are respectable.

10. By means of banking, people are able to preserve an authentic record of their annual expenditure. If a person pays into his banker all the money he receives in the course of a year, and makes all his payments by checks, then by looking over his bank-book at the end of the year he will readily see the total amount of his receipts, and the various items of his expenditure. This is very useful to persons who have not habits of business, and who may therefore be in danger of living beyond their means. It is useless to advise such persons to keep an account of their expenses,

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they will do no such thing; but when short of money at Christmas, to pay their tradesmen's bills, they may take the trouble of looking over their bank-book, and noticing how many checks were drawn for the purchase of unnecessary articles. A bank account is useful, also, in case of disputed payments. People do not always take receipts for money they pay to their tradesmen, and when they do, the receipts may become lost or mislaid. In case of death, or of omission to enter the amount in the creditor's books, the money may be demanded again. Should the payment have been made in bank notes or sovereigns, the payer can offer no legal proof of having settled the account; but if the account was discharged by a check on a banker, the check can be produced, and the payment proved by the officers of the bank, who can be subpœnaed for that purpose.

11. Another advantage resulting from keeping a banker in London is, that the party has a secure place of deposit for any deeds, papers, or other property that may require peculiar care. Any customer who pleases may have a tin box, which he may leave with his banker in the evening, and call for it in the morning. In this box he might place his will, the lease of his house, policies of insurance, or any other documents he wished to preserve against fire. Stock-brokers and others, who have offices in the city and live out of town, have such boxes, which they leave over night with their banker, for the sake of security, in preference to leaving them in their own office. If a party were going to the country, he might send his plate or jewellery to his banker, who will lock it up in his strong room, and thus it will be preserved from fire and thieves until his return. Solicitors and others, who have deeds or other writings of importance left in their custody, can send them to the bank during the night, and thus avoid the danger of fire.

12. By keeping a banker, people have a ready channel of obtaining much information that will be useful to them in the way of their business. They will know the way in which bankers keep their accounts; they will learn many of the laws and customs relating to bills of exchange. By asking the banker, or any of the clerks, they may know which is the readiest way of remitting any money they have to send to any part of the country or to the continent. If they have to buy or sell any stock in the public funds, the banker can give them the name of a respectable broker who can manage the business; or should they be about to travel, and wish to know the best way of receiving money abroad, or be appointed executors to a will, and have to settle some money matters, the banker will in these and many other cases be able to give them the necessary information.

13. Banking also exercises a powerful influence upon the morals of society. It tends to produce honesty and punctuality in pecuniary engagements. Bankers, for their own interest, always have a regard to the moral character of the party with whom they deal; they inquire whether he be honest or tricky, industrious or idle, prudent or speculative, thrifty or prodigal, and they will more readily make advances to a man of moderate property and good morals, than to a man of large property but of inferior reputation. Thus the establishment of a bank in any place immediately advances the pecuniary value of a good moral character. There

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are numerous instances of persons having arisen from obscurity to wealth, only by means of their moral character, and the confidence which that character produced in the mind of their banker. It is not merely by way of loan or discount that a banker serves such a person. He also speaks well of him to those persons who may make inquiries respecting him; and the banker's good opinion will be the means of procuring him a higher degree of credit with the parties with whom he trades. These effects are easily perceivable in country towns; and even in London, if a house be known to have engaged in gambling or smuggling transactions, or in any other way to have acted discreditably, their bills will be taken by the bankers less readily than those of an honorable house of inferior property.

It is thus that bankers perform the functions of public conservators of the commercial virtues. From motives of private interest they encourage the industrious, the prudent, the punctual, and the honest, while they discountenance the spendthrift and the gambler, the liar and the knave. They hold out inducements to uprightness, which are not disregarded by even the most abandoned. There is many a man who would be deterred from dishonesty by the frown of a banker, though he might care but little for the admonitions of a bishop.

Section III. — BANKING TERMS.

Query I. — Is the word Bank a singular or a plural noun?

The word Bank, being a noun of multitude, may have verbs and pronouns agreeing with it in either the singular or the plural number, yet not without regard to the import of the term as conveying unity or plurality of idea. In the use of this term the following rules are usually observed: —

1. When any operation or feeling of the mind is ascribed to a bank, the verbs and pronouns are placed in the plural; as, "The bank *were anxious* to meet the wishes of the public." "The bank *have concurred* in the measure proposed." "Are you one of the persons who tried the question with the Bank of Ireland, whether *they conceived themselves* bound to pay in gold at *their* branches?" "The Bank of England petitioned against this bill, and *were* heard by *their* counsel; but *their* representations produced no effect, and the bill having passed through both Houses, received the Royal assent." The following examples, wherein mental operations are ascribed to a neuter pronoun, are violations of this rule: — "The bank *allows* the party having the cash credit, to liquidate any portion of his debt to the bank at any time that may suit his convenience, and reserves to *itself* the power of cancelling, whenever *it shall think fit*, the credit granted." "It is usual for the bank when *it* gives a cash credit *to keep a watchful eye* over the person having that cash credit."

2. When a reference is made to a bank merely as an institution, the term is considered to belong to the singular; as, "The Bank of Scotland

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continued the only bank from the date of *its* establishment, in 1695, to the year 1727. In that year a charter of incorporation was granted to certain individuals named therein for carrying on the business of banking, under the name of the Royal Bank; and subsequent charters were granted to this establishment, enlarging *its* capital, which now amounts to one million and a half." "The National Bank of Scotland *has* 1,238 partners." "If this measure be carried into effect, the Provincial Bank must instantly be deprived of any sufficient means of reimbursing *itself* for the heavy expense to which *it has* been subject." "*Has* your bank an establishment at Kirkcudbright?" "The Bank of England *has* the control of *its* issues entirely within *itself*."

3. When we notice the rules or habitual acts of a bank, the word belongs to the singular; as, "The Provincial Bank *allows* interest at the rate of two per cent." "The bank *draws* bills upon London at twenty-one days after date." "The bank *discounts* bills at the rate of four per cent" "The bank *issues* notes payable in gold at the place of issue." "The London and Westminster *grants* interest upon deposits; *it does* not allow *its* officers to receive Christmas presents from *its* customers." In reference to cases that fall under this rule, there is, however, some contrariety of practice:—"*Do* the Provincial Bank *issue* post bills? *They do* not." "Have the Bank of Ireland, at *their* branch in Cork, been in the habit of receiving gold to any amount in payments?" "*Have* the Bank of Ireland any deposits at the Cork branch? Do you know how *their* notes get into circulation? Do *they* pay any interest on *their* deposits? *They have* a great quantity of notes in circulation,—*have they* not?"

4. When the word bank is connected with a past participle by means of the neuter verb *to be*, it usually belongs to the singular; as, "I am a director of the Bank of Scotland, which *is established* by act of Parliament; *it does* not hold a charter from the Crown, but, in common language, *it is called* a chartered bank." "Suppose a bank *was enabled* to take six per cent. on a cash credit, instead of four." "The Falkirk Union Banking Company *has been returned* to this house as sequestrated in the month of October, 1816." "A new bank *was constituted* as a fund upon which the sum of £2,564,000 should be raised, and *it was called* the Land Bank because established on land securities."

5. When the word bank is preceded by the indefinite article, *a*, *an*,—by the demonstrative pronoun, *this*, *that*,—or by the words *each*, *any*, *every*, *one*, it belongs to the singular; as, "Do you not think that *a* bank that *is* possessed of a capital of one million may and will do more business than *a* bank that *is* only possessed of half a million?" "In a moment of pressure, an emergency like the present, *that* bank would get into great disrepute who called up any one of *its* cash credits." "What is the amount of the small note circulation in *that* bank as connected with *its* whole circulation?" "*Each* bank *has* an interest to issue as much of the small note circulation as *it* can?—Certainly *it has*, provided the small notes can be kept out; but, as *every* bank *makes* an exchange at Glasgow twice every week, and the exchanges of *each* bank come back upon *itself*, and the balance is paid by a draft on Edinburgh at sight,"

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&c. "I believe almost *every* bank in Scotland *has* an agent in Glasgow." "Suppose *one* bank in Scotland made *its* notes payable in Scotland, at the place where the notes were issued." "Is there *any* bank in Cork now that *issues* notes?"

6. When the word bank is introduced in either the singular or the plural number, the same number should be preserved throughout the sentence. Hence, the following sentence of Smollett's is inaccurate: — "By the same acts the bank *was* required to advance a sum not exceeding £2,500,000 towards discharging the national debt, if wanted, on condition that *they* should have £5 per cent. for as much as *they* might advance, redeemed by Parliament."

7. When the word bank is used in the singular number, it is considered as a substantive of the neuter gender, and hence is associated with the relative pronoun *which;* but when used in the plural number it implies the idea of persons, and has accordingly the personal relative *who;* as, "The bank with *which* he kept his account *has* stopped payment"; or, "The bank with *whom* he kept his account *have* stopped payment." "The bank *whose* interests are affected by the measure *have* petitioned against it." "The bank upon *whom* the cheque was drawn *have* refused to honor it." The following sentence is not in accordance with this rule: — "In a moment of pressure, an emergency like the present, that bank would get into great disrepute *who* called up any of *its* cash credits."

I have not observed that any *English* writer, except Mr. McCulloch, considered a bank to be a lady; and this is only in the case of an Irish bank. Under the article "Banking," in his Commercial Dictionary, he says, — "The Bank of Ireland draws on London at twenty days' date. *She* neither grants cash credits nor allows any interest on deposits; *she* discounts at the rate of £5 per cent." This mode of expression is, however, very common with American writers.*

II. Should we write *accepter* or *acceptor* of a bill of exchange? The name of the agent to any verb is usually formed, in our language, by the addition of *r* or *er* to the verb; as, *indorser*, *talker*, *walker*, *speaker*. What reason, then, can be assigned why, in the present case, we should depart from the analogy of the language? We do not say, the drawor, the holdor, the payor of a bill; why, then, should we say the acceptor? When we speak of the accepter of a bill, why should we not spell the word in the same way as when we speak of the accepter of a present, or of a fee? Yet all our English legal authors write acceptor: — "A person who accepts for honor, is only liable if the original drawee do not pay; and, to charge such *acceptor*, there must be a presentment for payment to such original drawee." — *Bayley.* "A foreign bill is binding in this country on the *acceptor*, though he accepted by parol, or by writing unconnected with the instrument." — *Chitty.* "Where the *acceptor* of a forged bill pays it, and is guilty of any negligence or want of due caution in making such payment, he cannot recover the money so paid, from the innocent party to whom he paid it." — *Roscoe.* Scotch authors, however,

* It has now become more common with *English* writers, especially with reference to the Bank of England. 1849.

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write *accepter*. "An English inland bill has generally three parties to it, the drawer, *accepter*, and payee; whereas, in Scotland most of the inland bills have, at first, but two parties, the drawer and the *accepter;* and they are made payable to the drawer or his order." (See Glen, *On the Law of Bills of Exchange in Scotland.*)

III. Should we write *indorse* or *endorse?* Indorse is derived direct from the Latin, *in dorsum*, on the back. *Endorse* is derived from the Latin, through the French, *endosser*. In such cases, most writers adopt the Latin mode of spelling, in preference to the French, as *indorse*, *inquire*, *intire;* not *endorse*, *enquire*, *entire*. All legal authors write indorse. "A promise to *indorse*, though on sufficient consideration, cannot be treated as an actual *indorsement*." — *Bayley*. "The liability of the *indorser* is discharged by want of notice, as in the case of the drawer." — *Roscoe*. "A person who draws or *indorses* a bill, or *indorses* a note for the accommodation of the acceptor, or maker, or payee, or prior *indorsers*, has, on paying the instrument, a remedy over thereon against the acceptor, or maker, or prior party." — *Chitty*. "A drawer or *indorser* cannot, in the character of *indorsee*, maintain an action against the accepter, where the indorsement is after the refusal of payment." — *Glen*.

IV. Should we say *indorsement* or *indorsation?* In England we always use the word indorsement. "No particular words are essential to an *indorsement;* the mere signature of the indorser is, in general, sufficient." — *Bayley*. "The *indorsement* may be upon the face, or at the back of the bill." — *Chitty*. "An attesting witness to an *indorsement* is necessary, when the bill is for a less sum than £5." — *Chitty*. In Scotland the term more generally used is indorsation. "If a bill or note be granted to a woman while single, and she afterwards marry, the right to transfer it by *indorsation* would vest in the husband." "After a bill has been paid, no *indorsation* can take place, so as to affect the accepter, or any of the parties who would otherwise be discharged." — *Glen*. The word indorsement is also used in Scotland, though more rarely. Both words appear to have precisely the same meaning. An *indorsation* is made, either by the indorser's writing, and subscribing an order to pay the contents of the bill to some particular person mentioned by name, which is styled a *full indorsement*, or by merely signing his name on the bill, and delivering it to the indorsee, or person to whom it is indorsed, which is termed a *blank indorsation*." — *Glen*. "A fictitious *indorsement* to a bill is forgery; such *indorsation* is clearly giving it a false credit." — *Glen*.

V. Should we say the *presentment* or the *presentation* of a bill of exchange? All writers agree in using presentment. "If upon the *presentment* of the bill for acceptance to the drawee, he refuse or neglect to accept it, the drawer is immediately responsible to the holder, although the bill has not become due according to its tenor." — *Chitty*. "If the bill be payable after sight, and the drawee detain it some days without declaring his intention to accept, and afterwards incline to do so, the acceptance must be from the date of the first *presentment*." — *Glen*. "*Presentment* for payment must be made by the holder of the bill, or by an agent competent to give a legal receipt for the money." — *Glen*. "Upon a *present-*

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ment for acceptance, the bill should be left with the drawee twenty-four hours, unless in the interim he either accept, or declare a resolution not to accept. But a bill or note must not be left (unless it be paid) on a *presentment* for payment; if it be, the *presentment* is not considered as made until the money is called for." — *Bayley.*

VI. Should we write *draught* or *draft?* This word is derived from the verb *to draw*, and probably was originally written and pronounced *drawght.* But custom, which is the law of language, has changed both the pronunciation and the spelling to *draft.* In the former editions of this work, I mentioned that Mr. Justice Bayley had always spelled this word *draught;* but in a recent edition of his work, since published, I find that *draught* has been changed to *draft.*

VII. Should we write *check* or *cheque?* This word is derived from the French, *echecs*, *chess.* The chequers placed at the doors of public-houses are intended to represent chess-boards, and originally denoted that the game of chess was played in those houses. Similar tables were employed in reckoning money, and hence came the expression, to check an account; and the government office, where the public accounts were kept, was called the Exchequer. It probably obtained this name from the French *echiquier*, a chess-board; though Blackstone states that this court was called the exchequer, from the chequered cloth which covered the table. Of the two forms of writing this word, *check* and *cheque*, the latter seems preferable, as it is free from ambiguity, and is analogous to EX-CHEQUER, the public treasury. It is also used by the Bank of England, "CHEQUE-OFFICE." In *Bayley* both forms are employed. "A *cheque* upon a banker was lost, and paid to a stranger the day before *it bore date;* the banker was obliged to repay the money to the loser." "By the usage of trade, a banker in London will not render himself responsible by retaining a *check* drawn on him, provided he return it at any time before five o'clock on the evening of the day in which it was drawn."

SECTION IV. — THE GENERAL ADMINISTRATION OF A BANK.

To be a good banker requires some intellectual and some moral qualifications. A banker need not be a man of talent, but he should be a man of wisdom. Talent, in the sense in which the word is ordinarily used, implies a strong development of some one faculty of the mind. Wisdom implies the due proportion of all the faculties. A banker need not be a poet or a philosopher, a man of science or of literature, an orator or a statesman. He need not possess any one remarkable quality by which he is distinguished from the rest of mankind. He will possibly be a better banker without any of these distinctions. It is only necessary that he should possess a large portion of that practical quality which is called common sense. Banking talent (using the word *talent* here in the sense of adaptation of character to any particular pursuit) consists more in the union of a number of qualities, not in themselves individually of a striking

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character, but rare only in their combination in the same person. It is a mistake to suppose that banking is such a routine employment that it requires neither knowledge nor skill. The number of banks that have failed within the last fifty years are sufficient to show that to be a good banker requires qualities as rare and as important as those which are necessary to attain eminence in any other pursuit. The dealer in money exercises intellectual faculties of a high order, and of great value to the community. His profession has a powerful bearing on the practical happiness of mankind.

"The philosophy which affects to teach us a contempt of money, does not run very deep; for, indeed, it ought to be still more clear to the philosopher than it is to the ordinary man, that there are few things in the world of greater importance. And so manifold are the bearings of money upon the lives and characters of mankind, that an insight which should search out the life of a man in his pecuniary relations, would penetrate into almost every cranny of his nature. He who knows, like St. Paul, both how to spare and how to abound, has a great knowledge: for if we take account of all the virtues with which money is mixed up, — honesty, justice, generosity, charity, frugality, forethought, self-sacrifice, — and of their correlative vices, it is a knowledge which goes near to cover the length and breadth of humanity: and a right measure and manner in getting, saving, spending, giving, taking, lending, borrowing, and bequeathing, would almost argue a perfect man." (*Taylor's Notes on Life.*)

But though wisdom, — or, in other words, a high degree of common sense, — does not imply the possession of any remarkable talent (the undue development of any one faculty), it always implies the absence of any remarkable defect. One great defect in a banker is a want of decision. A banker ought to know how to balance the evidence on each side of a question, and to arrive speedily at a just conclusion.

"Indecisiveness will be, *ceteris paribus*, most pernicious in affairs which require secrecy. 1st. Because the greatest aid to secrecy is celerity. 2d. Because the undecided man, seeking after various counsel, necessarily multiplies confidences. The pretext for indecisiveness is commonly mature deliberation; but, in reality, indecisive men occupy themselves less in deliberation than others; for, to him who fears to decide, deliberation (which has a foretaste of that fear) soon becomes intolerably irksome, and the mind escapes from the anxiety of it into alien themes. Or, if that seems too open a dereliction of its task, it gives itself to inventing reasons of postponement. And the man who has confirmed habits of indecisiveness, will come in time to look upon postponement as the first object in all cases, and wherever it seems to be practicable, will bend all his faculties to accomplish it." *

Another defect is a want of firmness. A banker having, after a mature consideration, made up his mind, should be capable of a strict adherence to his previous determination; he should know when to say, *No;* and having once said No, he should adhere to it.

Another defect is a hasty or impetuous temper.

"He that answereth a matter before he heareth it, it is folly and shame unto him." "He that is slow to wrath is of great understanding, but he that is hasty of spirit exalteth folly." "A wise man will hear, and will increase learning; and a man of understanding shall attain unto wise counsels." (*Proverbs of Solomon.*)

Another defect is that of being swayed by any personal or constitutional prepossession. Almost every man, — not excepting even the banker, —

* *Taylor's Statesman.* I would advise all bankers, and all other persons at the head of large establishments, to read this little work.

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has a sin by which he is most easily beset; a constitutional defect, against which it is necessary he should be upon his guard.

It is a great advantage to a banker, and indeed to every one else, to know himself. He should know wherein he excels, and wherein he is deficient. He ought to know whether he is disposed from his temperament to be excessively cautious or excessively liberal; whether his manners are courteous or abrupt; whether he is apt to view matters on their gloomy or on their bright side; whether social intercourse renders him more or less fit for his official engagements; whether the presents and civilities he receives from his customers do, or do not, affect his transactions with them in matters of business. When he has made a loss, he should examine whether the loss was occasioned by the ordinary operation of events, or produced by any little weaknesses of his own character. He should record all those instances in which he has shown a want of firmness, of discretion, of discrimination, or of perseverance; and should guard in future against the exhibition of any similar defect: —

"Man, know thyself; all wisdom centres there."

But while a banker should make himself acquainted with his own defects, he ought not to let his customers become acquainted with them. All wise men know their own defects; none but fools publish them. Crafty men, who often have occasion to borrow money, are quick in perceiving the weaknesses of their banker. And if they find that by coaxing, or flattering, or gossiping, or bribing, or threatening, they can influence his conduct, he will always be at their mercy. On this account it is, perhaps, advisable that a banker should not have too much social intercourse with those of his customers who have occasion to ask him for any large amount of accommodation.

Wisdom implies prudence and discretion, and these should regulate the whole conduct of a banker, not merely when engaged in banking transactions, but at all other times. We may apply to a banker the language we have elsewhere applied to a merchant: —

"The amusements of a merchant should correspond with his character. He should never engage in those recreations which partake of the nature of gambling, and but seldom in those of a frivolous description. A judge is not always on the bench, a clergyman is not always in the pulpit, nor is a merchant always on 'change; but each is expected at all times to abstain from any amusements which are not consistent with his professional character. The credit of a merchant depends not merely on his wealth, but also upon the opinion generally entertained of his personal qualities; and he should cultivate a reputation for prudence and propriety of conduct, as part of his stock in trade." (*Lectures on the History and Principles of Ancient Commerce*, by J. W. Gilbart).

A banker should have a talent for selecting suitable instruments. He ought not only to know himself; he ought also to have a capacity for knowing others. He should know how to choose proper clerks for the discharge of the duties of the office. He should know also what parties to employ to procure him confidential information as to the character and circumstances of commercial houses, or of individuals. He should know how to choose his partners or coadjutors, and should endeavour to select those who possess qualifications in which he is himself deficient. In all

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cases when he has any object to effect, he should know how to make use of other men. We may here, as in some other cases, apply to a banker the observations Mr. Taylor applies to a statesman: —

"The most important qualification of one who is high in the service of the State is his fitness for acting through others, since the operations vicariously effected ought, if he knows how to make use of his power, to predominate greatly over the importance which can attach to any man's direct and individual activity. The discovery and use of instruments implies indeed activity, as well as judgment; because it implies that judgment which only activity in affairs can give. But it is a snare into which active statesmen are apt to fall, to lose, in the importance which they attach to the immediate and direct effects of their activity, the sense of that much greater importance which they might impart to it if they applied themselves to make their powers operate through the most effective and the widest instrumentality. The vanity of a statesman is more flattered in the contemplation of what he does than of what he causes to be done; although any man whose civil station is high ought to know that his causative *might* be beyond all calculation wider than his active sphere, and more important." (Taylor's *Statesman*.)

A neglect of this rule has occurred in the history of some joint-stock banks, where the manager has impaired his own health, and damaged his bank, by taking upon himself a vast variety of duties which should have been assigned to others; forgetful that in large establishments the chief officer should confine his personal attention to those duties which are intellectual, or which are of the chief importance; while the duties which are of a mere manual, or less important character, should be performed through the instrumentality of assistants. We shall illustrate the principle of working through others by a Scriptural example: —

"And it came to pass that Moses sat to judge the people; and the people stood by Moses from the morning unto the evening. And Moses' father-in-law said unto him, The thing that thou doest is not good. Thou wilt surely wear away, both thou and this people that is with thee: for this thing is too heavy for thee; thou art not able to perform it thyself alone. Hearken now unto my voice, and I will give thee counsel. Thou shalt provide out of all the people able men; and place such over them, to be rulers of thousands, and rulers of hundreds, rulers of fifties, and rulers of tens. And let them judge the people at all seasons: and it shall be that every great matter they shall bring unto thee, but every small matter they shall judge; so shall it be easier for thyself, and they shall bear the burden with thee. So Moses hearkened to the voice of his father-in-law, and did all that he had said." (Exodus xviii. 13 – 22.)

"And Moses said, I am not eloquent, but I am slow of speech and of a slow tongue." — "Is not Aaron the Levite thy brother? I know that he can speak well. Thou shalt speak unto him, and put words into his mouth; and he shall be thy spokesman unto the people." (Exodus iv. 10 – 16.)

A banker should know how to economize his own time. One mode of doing this will be, as we have intimated, to assign inferior duties to others. His accountant should keep his books and make his calculations. His secretary should write his letters (except those of a private or confidential nature), and he should only sign them. His chief clerk should attend to the discipline of the office. A banker at the head of a large establishment should not only be acquainted with the art of banking; he ought also to be acquainted with the art of government. He ought to put a clever man at the head of each department, and reserve to himself only the duty of general superintendence. He should give these parties a pretty wide discretion, and not encourage them to ask his instructions about matters of comparatively trifling importance. If he does this, they

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will never learn to think for themselves, — never feel that wholesome anxiety which results from a sense of responsibility, — and never acquire that decision of mind which arises from the necessity of forming an independent judgment. Consequently, they will be less useful to him in their present position, and never become qualified for higher offices.

Another mode of economizing time is to observe a principle of order. A banker should come to the bank every day at the same hour; attend to his affairs, one by one, in the same order; and leave the bank at his usual time. By observing this routine, he will not only save much time, but he will avoid tumultuous feelings, and maintain a calmness of mind and of manner, that will be useful in all his affairs. He will also acquire from habit, a coolness of investigation and a promptness of decision, and he will get through a great deal of work without ever appearing to be in a hurry.

Another mode of economizing time is, to make his interviews with his customers, or with other parties, as short as he can. He should not encourage conversation upon any other topic than that which is the occasion of the interview. He had better receive his customers standing; as in that case they will stand too, and are not likely to remain so long as if they were to sit down. And the furniture of the room should be so arranged that the customer, if he sit down, should sit near the door, so that he may depart whenever disposed. He is not likely to remain so long as if seated comfortably by the fireside. It is also desirable that his room should be so placed, with reference to the other parts of the building, that while it has one door open to the public, it should have another door opening into the office; so that he may easily pass into the office, to ascertain the state of a customer's account, or to consult with himself or another person, in doubtful cases, as to the course to be adopted. It is not advisable that the customer who applies, for instance, to have a heavy bill discounted, should witness the hesitation or the deliberation of the banker. Hence it is better, when it can be done, to establish the practice of the customer giving the bills to a clerk, who shall bring them into the banker's room, and take back his reply.

A banker will take means for obtaining and recording information. He should not, as we have said, keep any books himself; but he ought always to have in his room, ready for immediate reference, if necessary, the "General Balance Book," containing the weekly balances of the general ledger, which will show the weekly progress of his business for several years past; the "Daily Balance Book," showing the daily balance to the credit of each of his customers in the current-account ledger; the "Weekly Discount Balance Book," showing the amount of discounts, loans, or other advances which each customer has every Saturday night; the "Inspection Book," showing the amount of bills bearing the names of houses who do not keep an account with him; the "Information Book," containing the character of all the houses about whom he has had occasion to make inquiries; and, finally, a "Private Memorandum Book," in which is entered any special agreements that he has made with his customers. It is also useful to a banker to have a list of his customers, classified according to their trades or professions; such as corn merchants,

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leather factors, grocers, solicitors, &c., &c. The banker would thus see at a glance among what classes of society his connections are. When any public event was likely to affect any class, — such, for instance, as the corn merchants, — he would see how many of his customers are likely to be affected. By thus, too, bearing in mind the trade or profession of his customers, he would be able to judge more readily whether the bills they brought him for discount had arisen out of their business transactions.

Of these books, one of the most important is the "Information Book." There is no doubt that a banker of great experience, and of a strong memory, may always bear in his mind a very correct estimate of the standing and character of all the houses that usually come under his notice. But this does not supersede the necessity for recording his information in a book. His memory may fail, and that too on important occasions; and certainly if he leave the bank for a short time, as he must sometimes have occasion to do, he will carry his memory with him. But if the Information Book be closely kept up, he will record his knowledge for the use of those who will have to take his place. It is no valid objection to the keeping of such a book, to say that the position of houses is perpetually changing. Those changes should be recorded, so that their actual standing should always be readily referred to. If a banker is requested by a customer to make inquiry about a house, he should record the information he gets for his own guidance, in case any bills on that house should afterwards be offered him for discount.

A banker will get information about parties from inquiry at their banker's, as we have mentioned at page 6. This information may be defective in two ways. In the first place, their banker may judge of them from the account they keep, — that is, from the balance to their credit, — and thus he may give too good an account of them; or, secondly, their banker may have an interest in keeping up their credit, and under this bias he may not give them so bad a character as they actually deserve. Another source of information is from parties in the same trade. Houses in the same trade know pretty well the standing of one another. Wholesale houses are well acquainted with the retail shopkeepers who buy of them. Most bankers have among their own customers some houses in almost every trade, who can give them any information respecting other houses which they may require. The bills that pass through his hands will also often give him some useful hints respecting the parties whose names are upon them.

It is of great importance to a banker to have an ample knowledge of the means and transactions of his customers. The customer, when he opens his account, will give him some information on this subject. The banker will afterwards get information from his own books. The amount of transactions that his customer passes through his current account will show the extent of his business. The amount of his daily balance will show if he has much ready cash. The extent and character of the bills he offers for discount, will show if he trust large amounts to individual houses, and if these are respectable. On the other hand, the bills his customer may accept to other parties, and his payments, will show the

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class of people with whom he deals, or who are in the habit of giving him credit. But one main source of information is to see the man. This, like other means of information, will sometimes fail; but, generally speaking, the appearance and manners of a man will show his character. Some people always send their clerk to the banker with bills for discount, &c. This is all very well, if they want no extraordinary accommodation; but if they ask for any thing out of the usual way, the banker had better say that he wishes to see the principal. And if he had a doubt whether his customer was tricky or honest, speculative or prudent, let him be guided by his first impression, — we mean the impression produced by the first interview. In nine cases out of ten the first impression will be found to be correct. It is not necessary to study physiognomy or phrenology to be able to judge of the character of men with whom we converse upon matters of business.

A country banker has greater facilities than a London banker of ascertaining the character and circumstances of other parties. In a country town every thing is known about every body, — a man's parentage and connections, his family and associates, the property he has already received, and what he may expect to receive from his relations, and, above all, his personal habits and disposition. Upon the last point we will make a short extract from an excellent series of "Letters to a Branch Manager," now in course of publication in the "Bankers' Magazine," under the signature of "Thomas Bullion."

"Next in importance to a study of his accounts, the habits and character of a client are deserving of your attentive consideration. If a man's style of living, for example, becomes extravagant, and he gives himself over to excess, you cannot too promptly apply the curb, however regular the transactions upon his account may seem; because years may elapse before mere irregularity of living will make any impression on his banking account; whereas irregularity in business will exhibit itself immediately, and for this reason, — that whereas improvident habits of living involve a continuous waste in small sums, spreading over tolerably long periods, improvidence in business may involve in one fell swoop the loss, perhaps, of thousands. I hold, then, that you are not warranted in all cases in feeling satisfied of a man's perfect responsibility *until* his banking account exhibits indubitable evidence to the contrary." — *Bankers' Magazine, December*, 1848.

A banker should always have general principles; that is, he should have fixed rules for the government of his bank. He should know beforehand whether he will or will not advance money on mortgage, or upon deeds, or upon bills of lading, or warrants; or whether he will discount bills based upon uncommercial transactions, or having more than three months to run. These are only a few of the cases in which a banker will find it useful to store his mind with general principles.

One advantage of this adoption of general principles is, that it saves time. If a banker can say, in reply to a customer, "It is contrary to the rules of our bank to advance money upon bills of lading," the reply is conclusive. But if he had not previously adopted any rule upon the subject, the reply would have taken up much more time. Another advantage is, that it gives decision of mind, and saves the banker from being "talked over" by any of his customers who may possess fluency of speech, or dexterity in debate. In this case, the banker whose mind is stored with

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general principles, though he may listen patiently to all his customer shall advance, will give the same reply which he would have given, had the application been made in fewer words.

But although a banker ought to have a large stock of general principles, — and this stock will increase as his experience increases, — yet it may not be always wise to explain these principles to his customer. It is generally best, when a banker gives a refusal, to give no reasons for that refusal. Banking science is so little understood that the public generally are unable to appreciate its principles. Besides, a man who wants to borrow money can never be convinced by reasoning that his banker is right in refusing to lend it to him; nor, in fact, did the banker himself acquire his knowledge of banking by reasoning. He acquired it, not by reasoning, but by experience; and he must not expect that his customers, who have had no experience, will, by reasoning alone, readily acquiesce in the banking principles he may propound to them. In most cases, therefore, he had better keep his reasons to himself.

But while we contend that every banker should have general principles, we do not say that in no possible case should he depart from them. But he should not look for such cases; they are rare, and when they do occur they will force themselves upon his attention. If under shelter of the truism, "all rules have their exceptions," he departs from his general principles whenever he finds it convenient or profitable to do so, he may as well have no general principles at all.

It seems desirable that a banker in a large city should mark out for himself one or two main branches of business, rather than attempt to carry on banking in all its branches. We see this line of conduct adopted by some of the most eminent London bankers. A west end banker will not discount a bill; a city banker will not lend money on mortgage. Different kinds of banking exist in different parts of the country, according to the character and circumstances of the district. And in London there are numerous classes of people, and it may be both proper and advantageous for a banker to adapt his mode of business chiefly to the requirements of some one particular class. Different banks may thus pursue different courses, and all be equally successful.

A banker will exercise due caution in taking new accounts. He will expect the new customer to be introduced by some person to whom he is personally known. The more respectable the introducer, the higher opinion will the banker entertain of the party introduced. If a party apply to open an account without such an introduction, he is asked to give references to some well-known houses. He is expected to state to the banker the kind of business in which he is engaged, and the extent of accommodation, if any, that he is likely to require. He will state the kind and character of the bills he will have to offer to discount, and mention any peculiarity in his business or circumstances that may occasionally require especial consideration. It is a great folly in a party opening an account to make any representation that will not afterwards turn out to be correct. Every banker is anxious to avoid taking shabby accounts; and especially such as are opened for the purposes of fraud, or to obtain a fictitious credit, or to get undue accommodation. It is considered to be not

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advisable to take the account of a party who has another banker, especially if he open the account for the purpose of getting additional discount. The object of a party keeping two bankers is, usually, to get as much accommodation as he can from each. If an account is brought from another bank, the reason of the removal should be distinctly stated, and the banker will accept or reject it, according to circumstances. It is bad policy in a banker to attempt to draw away the connections of another bank, by offering them greater accommodation. It is also usually bad policy to take the accounts of parties residing at a distance, as their transactions do not come under the notice of the banker; and the fact of their passing by the banks in their neighbourhood to go elsewhere, is one that should excite suspicion. It is not advisable for London bankers to take the accounts of private individuals who reside in the country. They should be referred to the bankers in their own districts.

A small banker should not attempt to take large accounts. Banks, otherwise well administered, have been ruined by one large account. If this account requires accommodation, it will absorb the banker's funds, so that he will be compelled to stint his other customers, or to have recourse to re-discount, or other modes of raising money. Even if it be only a deposit account, it may produce inconveniences. A small banker cannot so readily employ this large deposit profitably, and yet have it at command whenever required; and the additional amount he must keep in his till will be proportionably greater than would be kept by a large banker. Thus, if £100,000 be placed in a bank that has already £2,000,000 of deposits, the additional sum kept in the till to meet daily demands may not be much increased; but should it be lodged with a banker whose deposits are only £300,000, the increase of notes to be kept in his till will be very considerable. This shows that large deposits are not so profitable to small banks as to large ones. There is also a danger that a small banker will employ his large deposits in such a way as shall render him less ready to repay them punctually. Instances have occurred of small banks being greatly inconvenienced by the repayment of large deposits, which had been placed in their hands by railway companies. It is prudent, therefore, in a banker to apportion the amount of his transactions to the extent of his business.

A very important part of the business of a banker consists in the discounting of bills. The bills presented to a bank for discount, may generally be divided into the following classes: —

"1st. Bills drawn by producers or manufacturers upon wholesale dealers.

"2dly. Bills drawn by wholesale dealers upon retail dealers.

"3dly. Bills drawn by retail dealers upon consumers.

"4thly. Bills not arising out of trade, but yet drawn against value, as rent, &c.

"5thly. Kites, or accommodation bills.

"The first two classes of bills are the best, and are fair legitimate bills for bankers to discount.

"The third class ought not to be too much encouraged; they are for comparatively small amounts, and are drawn by shopkeepers and trades-

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men upon their customers. To discount these bills freely would encourage extravagance in the accepters, and ultimately prove injurious to the drawers. When a man accepts bills to his butcher, baker, tailor, upholsterer, &c., he may fairly be suspected of living beyond his income. Solvent and regular people pay their tradesmen's accounts with ready money.

"The fourth class of bills, though sometimes proper, ought not to be too much encouraged. Persons out of trade have no business with bills.

"The last class of bills should always be rejected. To an experienced banker, who knows the parties, the discovery of accommodation bills is by no means difficult. They are usually drawn for even amounts, for the largest sum that the stamp will bear, and for the longest term that the bank will discount, and are presented for discount soon after they are drawn. The parties are often relations, friends, or parties who, from their avocations, can have no dealings with each other.

"Not only the parties and the amounts of bills are matters of consideration to a banker, but also the time they have to run before they fall due. A bill drawn for a long term after date, is usually styled, not perhaps very properly, 'a long dated bill.' A bill drawn at a short term, is styled, 'a short dated bill.'" (*History and Principles of Banking*, p. 167.)

In doubtful cases, the banker, before discounting a bill, will probably look through his books, and satisfy himself with regard to the following inquiries: —

What is the character of the customer? This inquiry will be answered from the Information Book. What is the usual balance of his cash accounts? This will be answered by the Daily Balance Book. What amount has he now under discount? This will be answered from the Discount Ledger, and will suggest other inquiries. Is that amount greater or less than usual? What proportion does that amount bear to the average amount of his cash balance? Is the amount chiefly upon few parties, or is it divided among a number? Have their bills been discounted chiefly upon the strength of the customer, or upon the strength of other parties? Are his bills generally paid? He will then proceed to inquire about the other parties to the bill. What is the character of the accepter in the Information Book? What is the nature of the transactions between the customer and the accepter, as far as can be ascertained? Has he had any bills upon him before, and have they been punctually paid? Are there any bills upon him now running, and how soon will they become due?

In the discount of bills it is necessary to guard against forgeries. It has happened that parties carrying on a great business in London, have presented to their banker, for discount, bills drawn upon all parts of the country; which bills, upon inquiry, have turned out to be purely fictitious. This is an additional reason for bankers making inquiry about the accepters of the bills they discount, even when they think they have reason to be satisfied with the drawers. Even this is no protection against forgery. Sometimes the name of a most respectable house in a provincial town has been forged. Where the amount is large, therefore, it seems advisable to send the bill down to some banker in the town, and ask his opinion as to

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the genuineness of the signature. Of course in these, and many other cases in which a banker is liable to be cheated, much must depend upon personal discretion; no rules can be given for all cases.

To facilitate the detection of forged CHEQUES, it is advisable that the banker should have a printed number placed on every cheque, in every cheque book, and keep a record of the name of the customer to whom each book is given. When a cheque with a forged signature appears, the banker can then turn to this registry, and see to which of his customers he had given out this cheque. This plan has been found useful in tracing forgeries that have been perpetrated by the clerks or servants of the party keeping the account. Some bankers, moreover, place on their cheque books a printed label, requesting the customer will at all times keep the book under his own lock and key.

To guard against forgery in the case of DEEDS or BONDS, all these documents should be witnessed by an officer of the bank. And when a letter of guarantee is given by a third party, it should not be taken by the banker from the party in whose favor it is given, but the letter should be signed at the bank, and the signature witnessed by one of the clerks.

A banker is also liable to loss from the alteration of cheques. The words six, seven, eight, and nine, can easily be changed by the addition of y, or ty, into sixty, seventy, eighty, or ninety. Sometimes, too, when cheques are drawn for less than £10, if a space be left open before the word, another word may be introduced. Thus, a short time ago a cheque was drawn on a banker for £3, and the party who obtained it wrote the word sixty before the word three, and thus cheated the banker out of £60. Letters of credit, as well as cheques, have heretofore been altered, by the original sum being taken out, and a larger sum being substituted. This is now prevented by staining the paper with a chemical preparation. Country banks also stamp upon their drafts the words "under ten pounds," "under twenty pounds," and so on, to prevent an alteration to any sum beyond those amounts.

The re-discounting of bills of exchange is an operation of much importance, and has a great influence on the monetary operations of the country. We quote from a former work of our own upon this subject:—

"Banks situated in agricultural districts have usually more money than they can employ. Independently of the paid-up capital of the bank, the sums raised by circulation and deposits are usually more than the amount of their loans and discounts. Banks, on the other hand, that are situated in manufacturing districts, can usually employ more money than they can raise. Hence, the bank that has a superabundance of money, sends it to London, to be employed by the bill-brokers, usually receiving, in return, bills of exchange. The bank that wants money sends its bills of exchange to London, to be re-discounted. These banks thus supply each other's wants, through the medium of the London bill-brokers." (*The History of Banking in America*, by J. W. Gilbart.)

But this principle of the re-discount of bills has been, in some cases, grossly abused, by being employed to give a sort of vitality to dead loans. A country banker lends upon mills and manufactories a larger amount of money than he can conveniently spare; then he asks the manufacturer to accept a bill for the amount, which the banker gets discounted in London or elsewhere. This bill, when due, is renewed, and the renewal is again

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replaced by another, and so the game goes on. As long as money is abundant all parties are pleased; the manufacturer gets his advance, the banker gets his commission, and the London bill-broker gets employment for his funds. But a pressure comes. The London bill-broker can discount no more, because the funds placed in his hands by his depositors have been withdrawn. The banker cannot get the new bills discounted elsewhere, and is unable to take up the old bills that are returned to him with his indorsement. The manufacturer, of course, cannot pay the money; the banker stops payment, and the manufacturer is ruined. The places at which this system has been chiefly carried on, are Manchester and Newcastle-upon-Tyne; and it is in these places that the greatest failures have taken place among the joint-stock banks. In fact, I believe it must be confessed, that the joint-stock banks have carried on this practice to a much greater extent than it was ever carried on by the private bankers. This has arisen from the greater credit which they possessed: it is one of the forms of the abuse of credit.

A London banker is always anxious to avoid dead loans. Loans are usually specific advances for specified times, either with or without security. In London, advances are generally made by loans; in the country, by overdrafts. The difference arises from the different modes of conducting an account. In London, the banker is paid by the balance standing to the credit of the account. A customer who wants an advance, takes a loan of such an amount as shall not require him to keep less than his usual balance. The loan is placed to the credit of his current account, until the time arrives for its repayment, and then he is debited for the principal and the interest. The country banker is paid by a commission, and hence the advance to a customer is made by his overdrawing the account, and he is charged interest only on the amount overdrawn.

Loans are divided into short loans and dead loans. Short loans are usually the practice of the London bankers: a time is fixed for their repayment. Dead loans are those for the payment of which there is no specified time; or where the party has failed to make the repayment at the time agreed upon. In this case, too, the loan has usually been made upon *dead*, — that is, upon inconvertible, security. Without great caution on the part of the banker, *short* loans are very apt to become *dead* loans. A loan is first made for two or three months; the time arrives, and the customer cannot pay; then the loan is renewed, and renewed, and renewed, and ultimately the customer fails, and the banker has to fall back upon his securities. The difference between *short* loans and *dead* loans may be illustrated by a reference to Liverpool and Manchester. The Liverpool bankers make large advances by way of loan, but usually on the security of cotton. The cotton is sold in a few months, and the banker is paid. At Manchester, the banker advances his loans on the security of mills and manufactories; he cannot get repaid; and after awhile the customer fails, and the mill or manufactory, when sold, may not produce half the amount of the loan.

Dead loans are sometimes produced by lending money to rich men. A man of moderate means will be anxious not to borrow of his banker a

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loan which he will not be able punctually to repay, as the good opinion of his banker is necessary to his credit. But a man of property has no scruples of the kind; he has to build a house, to improve his estate, or to extend his manufactory; and he is unreasonable enough to expect that his banker will supply him with the necessary funds. He believes it will be only a temporary advance, as he will shortly be in possession of ample means. The banker lends the sum at first desired; more money is wanted; the expected supplies do not arrive, and the advance becomes a dead lock-up of capital. The loan may be very safe, and yield a good rate of interest, but the banker would rather have the money under his own control.

Dead loans are sometimes produced by lending money to parties to buy shares in public companies. There was too much business of this kind transacted by some bankers a few years ago. The party did not at first, perchance, apply to his banker to enable him to purchase the shares; but the calls were heavy, and his ready money was gone; he felt assured, however, that in a short time he should be able to sell his shares at a high profit; he persuaded his banker to pay the calls, taking the shares as security. Other calls were made, which the banker had to pay. The market fell, and the shares, if sold, would not pay the banker's advances. The sale, too, would have caused an enormous loss to the customer. The advances became a dead loan, and the banker had to wait till a favorable opportunity occurred for realizing his security.

In this, and in other ways, a banker has often much difficulty with customers of a speculative character. If he refuse what they ask, they remove their account, and give him a bad name; if he grant them their desires, they engage in speculations by which they are ruined, and probably the banker sustains loss. The point for the banker to decide is, whether he will lose them or ruin them. It is best, in this case, for the banker to fix upon what advance he should make them, supposing they conduct their affairs prudently; and if they are dissatisfied with this, he had better let them go; after they have become bankrupts he will get credit for his sagacity.

The discounting of bills is an ordinary matter of business, and the banker has only to see that he has good names to his bill; but in regard to loans, a banker would do well to follow the advice which Mr. Taylor gives to individuals, and not make a loan, unless he knows the purpose for which it is borrowed, and to form his own judgment as to the wisdom of the party who borrows, and as to the probability of his having the means of repayment at the time agreed upon.

"Never lend money to a friend, unless you are satisfied that he does wisely and well in borrowing it. Borrowing is one of the most ordinary ways in which weak men sacrifice the future to the present; and thence it is that the gratitude for a loan is so proverbially evanescent; for the future, becoming present in its turn, will not be well pleased with those who have assisted in doing it an injury. By conspiring with your friend to defraud his future self, you naturally incur his future displeasure. To withstand solicitations for loans is often a great trial of firmness; the more especially as the pleas and pretexts alleged are generally made plausible at the expense of truth; for nothing breaks down a man's truthfulness more surely than pecuniary embarrassment, —

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'An unthrift was a liar from all time;
Never was debtor that was not deceiver.'

The refusal which is at once the most safe from vacillation, and perhaps as little apt to give offence as any, is the point blank refusal, without reasons assigned. Acquiescence is more easily given in the decisions of a strong will than in reasons, which weak men, under the bias of self-love, will always imagine themselves competent to controvert." (*Notes on Life*, by John Taylor.)

Sometimes, when an advance of money is wanted for two or three months, the party gives a note of hand. This is better than a mere loan, as it fixes the time of payment, and keeps the transaction fresh in the recollection of the borrower. But care must be taken that the note, by repeated renewals, does not in fact become a dead loan. Hence, when a renewal cannot be avoided, attempts should be made to reduce the amount. When public companies, of only a short standing, and not fully constituted, wish to borrow money of their banker, it is sometimes expedient to take the joint and several promissory note of the directors. By this means the banker avoids all knotty questions connected with the law of partnership; and the directors will, for their own sakes, see that the funds of the company shall, in due time, be rendered available for the repayment of the loan.

We have said that dead loans are usually advanced upon inconvertible security. Sometimes that security consists of a deposit of deeds relating to leasehold or freehold property. In London, however, this kind of security is not considered desirable, and the following rules are usually observed.

No advances are made upon the security of deeds alone; they are taken only as collateral security, and then only to cover business transactions, and in cases where the parties are supposed to be safe independently of deeds.

The value of the property should be much higher than the sum it is intended to guarantee. When this is the case, and the parties fail, their creditors may take the deeds and pay the debt due to the bank. The main use of taking deeds is to have something to fall back upon in this way. A customer should never receive more accommodation from having deposited his deeds than that to which he is legitimately entitled. No banker takes deeds if there is the slightest probability of his being compelled to realize the property, as the legal difficulties are very great.

In all cases in which deeds are taken, they are submitted to the inspection of the banker's solicitor, who makes a written report upon the value of the property, as far as it can be discovered by the deeds, and upon its legal validity as a security to the bank.

The rule of a banker is, never to make any advances, directly or indirectly, upon deeds, or any other *dead* security. But this rule, like all other general rules, must have exceptions, and when it is proper to make an exception is a matter that must be left to the discretion of the banker. He should, however, exercise this discretion with caution and prudence, and not deviate from the rule without a special reason to justify such deviation.

Among country bankers, in agricultural districts, advances upon deeds

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are not considered so objectionable as in London. A landed proprietor who wants a temporary advance places his deeds in the hands of his banker, and takes what he requires. The banker thinks he can have no better security; but the loan is usually for only a moderate amount, and is paid off within a reasonable time. In the country the character and circumstances of every man is known. A landlord who wants an advance to meet immediate demands, until his rents come in, seems fairly entitled to assistance from his banker. But should a landlord who is living beyond his income ask for an advance almost equal to the value of his deeds, he would not be likely to obtain it. Every banker is aware that when deeds are lodged as security for loans, or discounts of any kind, interest upon the advance cannot be charged at a higher rate than five per cent.

Another kind of security is bills of lading, and dock warrants. Advances upon securities such as these must be considered as beyond the rules which prudent bankers lay down for their own government; they can only be justified by the special circumstances of each case. In advancing upon bills of lading, the banker must see that he has *all the bills of the set;* for if he has not *all*, the holder of the absent bill may get possession of the property. It is also necessary that he have the policy of insurance, that, in case the ship be lost, he may claim the value from the insurers. In advances upon dock warrants, the banker should know that the value of the goods is equal to his advances, and will also give him a margin, as a security against any fall in the market price. But, in truth, no banker should readily make advances upon such securities. Now and then he may take them as collateral security, for an advance to a customer who is otherwise respectable; but if a customer requires such advances frequently, not to say constantly, it shows that he is conducting his business in a way that will not ultimately be either for his own advantage or that of his banker.

A banker should never make any advances upon life policies. They may become void, should the party commit suicide, or die by the hand of justice, or in a duel; or if he go without permission to certain foreign countries. The payment may be disputed, upon the ground that some deception or concealment was practised when the policy was obtained. And, in all cases, they are dependent upon the continued payment of the premiums. The value of a policy, too, is also often overrated. The insured fancies that his policy increases in value in exact proportion to the number of premiums he has paid; but if he offers it to the company, he will find that he gets much less than he expected. The policy is valued in a way that remunerates the office for the risk they have run during the years that are past; and the valuation has a reference only to the future. Thus, if a man at twenty years of age insures his life, the expectation, or probability of life, as it is called, that is, the number of years he is likely to live upon the general average, is, according to the Northampton tables, thirty-three. If he wishes his representatives to receive £ 1,000 at his death he will pay a proportionate annual premium. When forty years of age, he will have paid twenty premiums, and he may fancy that his policy is worth the total amount of the premiums. But the policy is valued,

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not with reference to the past, but with reference to the future. At forty years of age his "expectation of life" is not thirteen, but twenty-three years. It is then calculated that twenty-three years hence the policy will be entitled to £ 1,000; but that the annual premiums must be paid in the mean time. The value of the policy, therefore, is the present value of this £ 1,000, less the present value of all these annual payments. Should he wish to sell his policy when he is sixty years of age, he will find that it is proportionably less valuable, for his expectation of life will still be thirteen years. A short rule for ascertaining the expectation of life, according to the Northampton tables, is to take the age from the number eighty-six, and then divide by two. The value of a policy is generally about one third of the amount of all the premiums that have been paid.

There are certain signs of approaching failure, which a banker must observe with reference to his customers. Thus, if he keep a worse account than heretofore, and yet wants larger discounts, — if the bills offered for discount are drawn upon an inferior class of people, — if, when his bills are unpaid, he does not take them up promptly, — if he pays in money late in the day, just in time to prevent his bills or cheques being returned through the clearing; but, above all, if he is found cross-firing, that is, drawing bills upon parties who at the same time draw bills upon him; as soon as a banker detects a customer in fair credit engaged in this practice, he should quietly give him reason for removing his account.

Sometimes two parties, who keep different bankers, will adopt a practice of exchanging cheques. Their cheques are paid into the banks too late to be cleared on the same day; and hence the parties' accounts appear better the next day than they otherwise would be. Some failing parties, too, have recourse to forged or fictitious bills, which they put into circulation to a large amount. The best way for a banker to guard against loss from this practice is, to inquire in all cases about the acceptors of the bills that he discounts, not only when his customers are doubtful, but even when they are deemed respectable. Indeed, it is only people in good credit that can pass fictitious bills.

The banker's rule is, that they who have discounts must keep a proportionate balance; this is useful, as the amount of balance kept is an indication of the circumstances of the party. When a customer has heavy discounts, and keep but a small balance, it may usually be inferred that he is either embarrassed in his affairs, or he is trading beyond his capital.

The operation which is called "nursing an account," sometimes requires considerable prudence, tact, and perseverance. A banker, having made considerable advances to a customer, suddenly discovers that the party is not worthy of the confidence he has placed in him. If these advances should be called up or discontinued, the customer will break, and the banker sustain loss. The banker must be governed by the circumstances of each case. It is sometimes best to continue to discount the good bills, and refuse those of a different character; and thus gradually weed the account of all the inferior securities. Sometimes he may get the customer to stipulate that he will diminish his advances by certain fixed amounts, at certain periods; and thus, by alternately refusing and complying, the banker may at length place himself in a state of security.

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At other times, the banker may offer to make still further advances, on condition of receiving good security also for what has been already advanced. This plan is advisable when the additional advance is not proportionately large, and the security is not inconvertible, otherwise the plan is somtimes a hazardous one. It requires some courage to look a loss in the face. And it has occurred that a banker, rather than sustain a small loss, will consent to make a further large advance upon inconvertible security; and the locking up of this large advance for an indefinite period has proved the greater evil of the two. In fact, some of the largest losses of fallen banks have been made in this way. They have, in the first instance, made an imprudent advance; rather than sustain this loss at once, they have made a further advance, with a view to prevent it. The advance has at last become so large, that if the customer falls the bank must fall too. For the sake of self-existence, further advances are then made; these, too, are found ineffectual, and ultimately the customer and the bank fall together.

Section V. — THE ADMINISTRATION OF A BANK WITH REGARD TO PROCEEDINGS ON BILLS OF EXCHANGE.

When a banker has discounted a bill, it is handed to the accountant, who will see that it is drawn on a right stamp. The accountant will read it through, and see that it is properly drawn, and will observe that the sum in writing corresponds with the sum expressed in figures, and that no alteration has taken place in the amount, the date, the term, or the place at which it is made payable; for these are *material* alterations, and would affect the validity of the bill. He will then calculate the time at which it falls due, and place this date upon the bill, or, if it was there before, he will check it, and see that it is right. He will then turn it over and see that it is indorsed by the party in whose favor it is drawn, and also that the subsequent indorsements are regular and properly spelled; for if there be a variation of a single letter in the spelling of a name, the payment of the bill could not be legally enforced. He will also observe that the bill is indorsed by the party for whom it is discounted. He will then pass the bill through the books (these books are described in the section on Banking Book-keeping), and at the close of the day deliver it with the others to the banker. The banker will, on the following morning, put these bills away in his bill-case according to the dates at which they fall due. This point should be recollected by persons who have to get bills from a banker before they are due; for, after they have given the amount and the names, the next question asked them will be, "When is it due?" for, among a multitude of bills, the only way of readily finding any individual bill is to turn to those that fall due on the same day. Every day the banker looks out the bills that fall due on the following day, and hands them to the chief clerk (or, in some cases, the chief clerk himself has the charge of the bills), who, after checking them against the books, distributes them

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among the clerks who are to collect them. If the bill be not paid, it is noted on the same evening, and on the following morning returned to the customer for whom it was discounted, and his account is debited for the amount. But if the party has not the sum to his credit, and the banker does not like to trust him, he merely receives notice of its dishonor; and notice is also given to every other party to the bill, with a demand for immediate payment. The bill has now become that hated object, a "past due bill"; and after a while, if the parties are supposed to be "worth powder and shot," it is handed to the bank's solicitor.

I shall give a short description of Bills of Exchange, and notice a few of those points of law and of business which are of most importance to practical bankers.

A bill of exchange is a written order from one person to another, directing him to pay a sum of money either to the drawer or to a third person at a future time. This is usually a certain number of days, weeks, or months, either after the date of the bill, or after sight; that is, after the person on whom it is drawn shall have *seen* it, and shall have written on the bill his willingness to pay it. The party expresses this willingness by writing on the bill the word "accepted," and his name. If the bill be drawn after sight, he also writes the date of the acceptance.

If the party in whose favor the bill is drawn wishes to transfer it, he writes his name on the back. This is called an *indorsement;* and may be either special or general. A special indorsement is made to a particular party; as, "Pay to Messrs. John Doe & Co. or order." A general, or blank indorsement, is when the person merely writes his name. It is held by the lawyers (see Chitty on Bills of Exchange, p. 103) that a special indorsement cannot *follow* a general indorsement, and that in such a case the holder may sustain an action for the amount, though the bill be not indorsed by the party to whom it is thus specially assigned. In practice, however, this is very common; and bankers always refuse to pay bills not properly indorsed, even though previous indorsements may be general. But, in regard to post bills, the Bank of England pays no regard to any special indorsement that may follow a general indorsement.

The following is the form of a Bill of Exchange: —

£1,000. *London, 1st of May,* 1827.

Two months after date, pay to the order of Messrs. Quick, Active, & Co. (or me or my order) the sum of One Thousand Pounds, for value received.

Hearty, Jolly, & Co.

To Messrs. John Careful & Co.,
Southwark.

Accepted, payable at
Messrs. Steady & Co., Bankers.
John Careful & Co.

A Promissory Note is as follows: —

£1,000. *London, 1st of May,* 1827.

Two months after date, we promise to pay Messrs. Hearty, Jolly, & Co., or their order, the sum of One Thousand Pounds, for value received.

John Careful & Co.

At Messrs. Steady & Co., Bankers,
Lombard Street.

The acceptance is usually written across a bill, but should always be on

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the front, not on the back of the bill. An indorsement, as the name implies, should be placed on the back.

The person who draws a bill is called the drawer; the person on whom it is drawn is called the drawee; after the bill is accepted the drawee is called the accepter. The person who indorses a bill is called the indorser; the person to whom it is indorsed is the indorsee. The person who pays a bill is the payer; the person to whom it is paid is the payee. These and similar terms may be illustrated by a circumstance said to have occurred on the cross-examination of a witness, on a trial respecting a mortgage. *Counsellor*, "Now, Sir, you are a witness in this case; pray do you know the difference between the mortgager and the mortgagee?" *Witness*, "To be sure I do. For instance, now suppose I nod at you, I am the nod-er, and you are the nod-ee." The word discountee, denoting the person for whom a bill is discounted, is not used in England, but I observe in the parliamentary evidence that it was employed by some of the witnesses from Scotland

All bills, except those payable on demand or at sight, are allowed three days' grace. Thus, a bill drawn at two months from the 1st of May will fall due on the 4th of July; but, if that day be a Sunday or a public holiday, the bill will be due on the day before. Some bills, instead of being drawn after date or sight, state the time of payment, as "On the first of August pay, &c." These bills are allowed the usual three days of grace. Such a bill would fall due on the 4th of August.

To remove all doubts upon this subject, an act of Parliament was passed (7th and 8th Geo. IV. ch. 5), which enacts, "that from and after the tenth day of April, one thousand eight hundred and twenty-seven, Good Friday, and Christmas-day, and every day of fast or thanksgiving appointed by his Majesty, is and shall for all purposes whatever, as regards bills of exchange and promissory notes, be treated and considered as the Lord's-day, commonly called Sunday." This act does not extend to Scotland, but it has since been extended to Ireland. This act does not vitiate a bill *dated* on a Sunday.

Some parties, when they indorse a bill, write at bottom, "In case of need apply to Messrs. C. D. & Co." That is, if the bill be not paid when due, Messrs. C. D. & Co. will, on the day after it is due, pay it for the honor of the indorsers. The notaries always observe the "cases of need" upon the bills that come into their hands, and apply to the proper parties. The advantage of placing a case of need upon a bill is, that the party indorsing it receives it back sooner in case of non-payment. It also makes the bill more respectable, and secures its circulation.

Were it not for the space it occupies, it would be very desirable that the indorser of a bill of exchange should be compelled to state also his address. This would prevent forged and fictitious indorsements, and give a banker who discounts a bill a better opportunity of ascertaining the respectability of the parties. In case, too, the bill was unpaid, he might immediately apply to all the indorsers, whereas now he has to find them out in the best way he can. The indorsers and drawer of a bill would have earlier notice of its non-payment, and have a better opportunity of obtaining their money from the antecedent parties.

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Bills are divided into Inland and Foreign. Inland bills are those in which both the drawer and the accepter reside in England. Bills drawn from Scotland or Ireland are considered as foreign bills. If a foreign bill be refused acceptance or payment, it should be immediately protested and returned. An inland bill is only noted, and then only when refused payment. A foreign bill may be accepted verbally, or by letter; but no acceptance of an inland bill is valid, unless written upon the bill itself.

When a merchant in one country draws bills upon a merchant residing in another country, he usually draws them in sets; that is, he draws two, three, or more bills of the same tenor and date. These bills are sent to his correspondent by different ships. Thus, he secures the swiftest conveyance, and his remittances will not be delayed by any accident that may happen to an individual ship. In drawing these bills, it is always expressly stated whether each bill be the first, second, or third of a set; as, "Pay this my *first* of exchange (the second and third not being paid)." On the payment of any one bill, the others are of no value. If a merchant, say at Paris, has a set of bills drawn on a merchant at London, he will sometimes send over the first bill to his correspondent in London, to get it accepted, and to retain it until claimed by the holder of the second. The merchant at Paris will then write on the second bill, that the first lies accepted at such a house in London. He will then sell it, or pay it away. By this means, he is sure that the bill he negotiates will not be returned to him, and greater value is given to his bill, not only as it has the additional security of the accepter's name, but, if it be drawn after sight, it will become due so much the sooner. When the second bill arrives in London, the holder takes it to the house where the first is deposited, and it is immediately given up to him.

Foreign bills are often drawn at a "usance" after date. A usance from Amsterdam, Rotterdam, Hamburgh, or any place in Germany, is one month; from France, thirty days; from Spain and Portugal two months; from Sweden, seventy-five days; from Italy, three months. Where it is necessary to divide a month upon a half usance, which is the case when the usance is either one month or three, the half month is always fifteen days. Bills drawn from Russia are dated according to the old style, and twelve days must be added to the date in order to ascertain at what time they fall due.

A bill is sometimes accepted *for the honor* of the drawer, or of one of the indorsers. Thus, if a bill from Hamburgh be drawn upon a person in London, who refuses to accept it, another party, knowing the drawer or one of the indorsers to be a respectable man, may accept the bill himself, for the honor of the party with whom he is acquainted. By this means, he prevents the bill being returned, with expenses. This kind of acceptance renders him liable to pay the bill on the day after it is due, but he can afterwards recover the amount from the party for whose honor he has accepted it, and, of course, from all preceding parties. But, to secure himself, he must not accept the bill until after it has been protested for non-acceptance, and he must write, "Accepted for the honor of A. B. & Co." upon the face of the bill. And when the bill is due, he must not pay it until it has been presented for payment to the drawee.

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Bills accepted, and made payable at a banking-house, in the usual manner, without the addition of the word ONLY, may be presented either at the banking-house, or at the residence of the accepter. In either case, it is a legal presentment (1 & 2 Geo. IV. ch. 78), as far as regards the accepter. In practice, however, bills are always presented at the place where they are made payable. If a bill be addressed to a banking-house or any other place ONLY, the payment cannot be enforced until it has been presented at that place. If any particular place of payment be mentioned in the body of a promissory note, it must be presented there.

When bankers receive any unaccepted bills, they send them out for acceptance, if they have four days to run. They are left at the house of the drawee, and are called for on the following day. On the day the bills are due, the tellers present them in the morning at the place where they are made payable. If not paid when presented, they leave a printed notice or direction, of which the following is a copy: —

Bill for £
Drawn by Mr.
On Mr.
Lies due at Messrs. Steady & Co.
No. Lombard Street.

Please call between Two and Four o'clock.

If not paid by five o'clock, the bill is sent to the notary's. It is brought to the banking-house the following morning, with the notary's ticket attached to it, stating the reason why it is not paid. The bill is then returned. If it be a foreign bill, that is, drawn from any foreign land, it must be protested. Foreign bills are also protested for non-acceptance; but inland bills are not, nor even noted, but the party who remitted the bill to the banking-house is advised of the circumstance.

Bills under the value of 40*s*. are not subject to the stamp duty; nor are drafts upon bankers payable to bearer on demand, provided the drafts are drawn within fifteen miles of the banking-house, and they specify such place, and bear date on or before the day on which they are issued. A person drawing a cheque beyond this distance, is subject to a penalty of £ 100; the person knowingly receiving it, to a penalty of £ 20; and the banker paying it is liable to a penalty of £ 100. The post-dating of cheques to make them serve the purpose of bills of exchange is subject to the same penalties. (55 Geo. III. ch. 184, 812, 813.)

The following is the form of a Draft or Cheque: —

No. 457. *London, May* 1, 1827.

Messrs. Hope, Rich, & Co., Lombard Street.

Pay John Doe, Esq., or bearer, the sum of One Hundred Pounds.

£ 100 *Peter Thrifty & Co.*

The words "or bearer" are essentially necessary, or the draft must be drawn on a stamp, and indorsed by the party who receives it.

Bills for 20*s*. and under £ 5 must specify the name and residence of the payee; they must be payable within twenty-one days after date, and be attested by one subscribing witness. Every indorsement must be at-

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tested by a witness; and must specify the name and residence of the indorsee. All bills drawn for a less sum than 20*s.* are illegal.

A bill given for an illegal consideration cannot be enforced by the drawer, but it may be enforced by an innocent holder who had no knowledge of the illegal consideration, and who received the bill before it was due. The principal illegal considerations are those arising from usury, gambling, and smuggling. Bills drawn at not more than twelve months after date, are exempt from the operation of the laws against usury.

The following is the Table of Stamp Duties upon Bills of Exchange: —

				Not exceeding 2 months after date, or 60 days sight.			Exceeding 2 months after date, or 60 days sight.		
	£	s.		£	s.	d.	£	s.	d.
Amounting to	2	0	and not exceeding 5	0	1	0	0	1	6
"	5	5	" 20	0	1	6	0	2	0
"	20	0	" 30	0	2	0	0	2	6
"	30	0	" 50	0	2	6	0	3	6
"	50	0	" 100	0	3	6	0	4	6
"	100	0	" 200	0	4	6	0	5	0
"	200	0	" 300	0	5	0	0	6	0
"	300	0	" 500	0	6	0	0	8	6
"	500	0	" 1000	0	8	6	0	12	6
"	1000	0	" 2000	0	12	6	0	15	0
"	2000	0	" 3000	0	15	0	1	5	0
"	3000	0	" ——	1	5	0	1	10	0

Foreign Bills drawn in sets: —

				s.	d.	
Not exceeding			£100	1	6	each bill.
Exceeding	£100	not exceeding	200	3	0	"
"	200	"	500	4	0	"
"	500	"	1000	5	0	"
"	1000	"	2000	7	6	"
"	2000	"	3000	10	0	"
"	3000	"	——	15	0	"

Foreign bills (those drawn from foreign parts) are not required to bear an English stamp, nor indeed any stamp at all. But bills *dated* from any place abroad, but actually drawn in England, on unstamped paper, are invalid. No action can be sustained to enforce payment, nor can they be proved in the Court of Bankruptcy against the estate of even the accepter. A banker should therefore use caution in taking bills where the drawers and the accepters are the same firm, — one branch of the house residing in England, and the other branch residing abroad. Such bills may be fabricated in London for the purpose of raising the wind.

If a woman accepts a bill, and is married before it becomes due, her husband may be sued for the amount, but she cannot. If a bill be indorsed to a woman, who afterwards marries, her husband must indorse the bill, unless she indorses it as the agent and by the authority of her husband. Should she have occasion to sue any of the antecedent parties to a bill, the action must be brought in the name of the husband, or else in the joint names of the husband and the wife. If a woman who is actually married accept a bill by and with the authority of her husband, the acceptance is binding on the husband; but if she accept a bill without

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his authority, he cannot be legally compelled to pay it, unless it were given for articles necessary to her support.

A person under twenty-one years of age, whether accepter, drawer, or indorser of a bill of exchange, cannot be sued at law, except the bill be drawn upon him for necessaries; but if he draw a bill and transfer it to a third person, the third party may sue the accepter. The term "necessaries" is generally considered to include, not only those things which are essential to existence, but those also which are suitable to the rank of the party. Many articles are considered necessary to the son of a nobleman, which would not be necessary to a man of an inferior station in society.

If the drawee refuse to accept a bill, the holder may immediately bring an action for the amount against all the other parties, without waiting until the bill becomes due. And should the word "at" be written before the name of the drawee, it makes no difference, especially if it be written in such a manner as if designed to escape observation. But it is the practice of the London bankers to hold bills refused acceptance, and merely give notice of the circumstance to the party who sent it to the bank. If, however, it be an inland bill, drawn after sight, the bill is noted for non-acceptance. If it be a foreign bill, it is protested, and the protest sent to the last indorser. If the bill be not paid when due, it is then protested for non-payment, and, with the second protest, returned to the last indorser. When a bill is drawn after sight, the day on which it is noted or protested for non-acceptance, is regarded as the day on which the drawee has seen it, and the time on which it will become due is calculated accordingly.

If the accepter, drawer, and all the indorsers to a bill become bankrupts, the holder may prove for the full amount under each commission, and receive a dividend under each, provided he do not receive altogether more than 20*s*. in the pound. But if he receive a dividend under one commission before proving under the others, he can only prove for the balance.

If a bill be lost, immediate notice should be given to the accepter, and to the bankers or other parties at whose house it may be made payable. If, after such notice, they pay the bill to any person who had not given value for it, they are accountable to the loser. But a person who had given value for a lost or stolen bill to a thief or to a finder, can recover the amount from all the parties in the same way as though he had received it, in the course of business, from the last indorser, provided the bill was not specially indorsed. But if it was specially indorsed, and the thief or finder should have forged the indorsement, the holder cannot recover the amount, even though he may have given value for the bill, but he must sustain the loss.

If a lost bill should have been specially indorsed, or if the loser can prove that the bill has been destroyed, he can bring an action against the accepter for the amount. But if he cannot prove that the bill is actually destroyed, and it was indorsed in blank, he cannot recover from the accepter. For it is possible that a finder may pass it for a valuable consideration to another party, who would thus be a *bonâ fide* holder, and might compel the accepter to pay him the amount. In this case, there-

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fore, the loser has no redress in *law*, but he may apply to a court of equity, and *might* obtain an order upon the accepter to pay the amount of the lost bill upon receiving a satisfactory indemnity. The loser of a bill should cause payment to be demanded from the accepter the day it falls due, and give notice of dishonor to the drawer and indorsers, in the same way as though he had the bill in his possession.

A country banker gave change for a Bank of England note for £ 100 which had been stolen. It was done at the time of the races, and immediately on opening the bank. The party who brought it stated he had some bets to pay at the race-course, and gave a fictitious address, which was written on the note. The loser of the note brought an action against the banker, and recovered the amount. The judge who tried the cause, stated that, in his opinion, there had been laches, i. e. neglect on the part of the bankers in not making further inquiry, and under his direction the jury returned a verdict for the plaintiff.

Any material alteration of a bill of exchange vitiates the bill, and it cannot be legally enforced against any of the parties, unless the alteration be made before the bill be accepted, and also before it has passed out of the hands of the drawer.

Thus, if a bill be left for acceptance by the drawer, and the drawee alter the date, time, or amount of the bill, and then accept it, the alteration does not affect the validity of the bill; but if the bill be left for acceptance by a third party, and the drawee then alters and accepts the bill, the bill is vitiated. Any alteration in the date, sum, time, name of drawer or payee, or appointing a new place of payment, is a material alteration, and requires a new stamp. But any alteration made only with a view of correcting a mistake does not vitiate a bill, provided it be made with the concurrence of all the parties. If a drawee accepts a bill, and before he gives the bill out of his possession cancels his acceptance, he cannot be compelled to pay it.

A bill must be presented in *reasonable* time. But what is a *reasonable time* is a question of consideration for the jury, and the decision has varied according to circumstances. If a bill be presented at a banker's after the hour of business, the presentment is not in reasonable time; nevertheless such a presentment is a legal presentment, if the banker or any person on his behalf should be there to give an answer to the party presenting it.

Cheques, and notes payable on demand, should also be presented for payment within a *reasonable time* after they are received. It has been held that a person who receives a cheque is not bound to present it at the banker's till the next morning; and if the bank was at a distance he was not bound to put the cheque into the post-office until the next day. But, perhaps, it would not be safe to rely upon these decisions. No general rule can be given; for the time which may be *reasonable* in one case may be unreasonable in another.

If a banker receive a bill or note by post, he is not required to present it until the next day.

"A man taking a bill or note payable on demand, or a cheque, is not bound, laying aside all other business, to present or transmit it for payment the very first opportu-

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nity. It has long since been decided, in numerous cases, that, though the party by whom the bill or note is to be paid live in the same place, it is not necessary to present the instrument for payment till the morning next after the day on which it was received. And later cases have established, that the holder of a cheque has the whole of the banking hours of the next day within which to present it for payment." (Byles's *Law of Bills of Exchange*, p. 123.)

In the following case it was decided that the presentment of a bill of exchange at the clearing-house is a legal presentment.

"On the 11th of September, between one and two o'clock, the defendants gave the plaintiffs a cheque upon Bloxam & Co., then bankers, in payment for goods The plaintiffs lodged the cheque with Messrs. Harrison, their bankers, a few minutes after four; and they presented it between five and six to Bloxam & Co., who marked it as good. It was proved to be the usage among London bankers not to pay any cheque presented by or on behalf of another banker after four o'clock, but merely to mark it if good, and pay it next day at the clearing-house. On the 12th, at noon, Harrisons' clerk took this cheque to the clearing-house, but no person attended for Bloxam & Co., who stopped payment at nine on that morning, and the cheque was therefore treated as dishonored. The plaintiffs, in going with the cheque to Harrisons', passed Bloxams' house. On a case stating these facts, the court held that there had been no laches in the plaintiffs in not presenting the cheque to Bloxam & Co. on the 11th for payment, or in his bankers in not presenting it at the banking-house, but merely at the clearing-house, and therefore gave judgment for the plaintiff." (Bayley *On Bills of Exchange.*)

Bills may be negotiated after they are due, but the party receiving an over-due bill cannot acquire a claim which the party holding the bill did not possess. For instance, one party may draw an accommodation bill upon another. As in this case no value had been given, the drawer could not sue the accepter for the amount. But if the drawer had passed this bill *for value* to a third party *before it became due*, that party could sue the accepter. But if the drawer passed it to a third party even for value *after it became due*, the third party could not sue the accepter, but would stand in the same situation as the drawer.

If a party lodged bills with a banker for the purpose of being collected, and the amount when received to be placed to his credit, and the banker gets them discounted, and applies the money to his own use, the customer has no redress except against the banker. The party who has given value for the bills to the banker can enforce payment of them.

As the giving notice of the dishonor of a bill or cheque is of considerable practical importance, I shall make a few extracts upon the subject from Mr. Justice Bayley's *Treatise on Bills of Exchange.*

"Though no prescribed form be necessary for notice of the dishonor of a bill or note, it ought to import that the person to whom it is given is considered liable, and that payment from him is expected.

"And the notice ought to import that the bill or note has been dishonored. A mere demand of payment and threat of law proceedings, in case of non-payment, is not sufficient.

"Especially if such demand be made on the day the bill or note becomes due.

"Notice must be given of a failure in the attempt to procure an acceptance, though the application for such acceptance might have been unnecessary; otherwise the person guilty of the neglect may lose his remedy upon the bill.

"The notice must come from the holder, or from some party entitled to call for payment or reimbursement.

"A notice from the holder or any other party will enure to the benefit of every other party who stands between the person giving the notice and the person to whom

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it is given. Therefore a notice from the last indorsee to the drawer will operate as a notice from each indorsee.

"It is, nevertheless, prudent in each party who receives a notice to give immediate notice to those parties against whom he may have right to claim; for the holder may have omitted notice to some of them, and that will be no protection; or there may be difficulties in proving such notice.

"A notice the day the bill or note becomes due is not too soon; for though payment may still be made within the day, non-payment on presentment is a dishonor.

"To such of the parties as reside in the place where the presentment was made, the notice must be given, at the farthest, by the expiration of the day following the refusal; to those who reside elsewhere, by the post of that or the next post day. Each party has a day for giving notice, and he is entitled to the whole day; at least, eight or nine o'clock at night is not too late. He will be entitled to the whole day, though the post by which he is to send it goes out within the day.

"And though there be no post the succeeding day for the place to which he is to send; therefore, where the notice is to be sent by the post, it will be sufficient if it be sent by the post of the following day; or, if there be no post the following day, the day after.

"Where a party receives notice on a Sunday, he is in the same situation as if it did not reach him till the Monday; he is not bound to pay it any attention till the Monday, and has the whole of Monday for the purpose. So, if the day on which notice ought thus to be given be a day of public rest, as Christmas-day or Good Friday, or any day appointed by proclamation for a solemn fast or thanksgiving, the notice need not be given until the following day.

[Continued on page 553, January No.]

Mr. Gilbart's works on Banking have attained a just celebrity. Plain and practical, they are suitable to the character and position of the writer, and to the wants and inclinations of the banking and mercantile community, for whom they are chiefly intended. They are not, however, without much interest for every inquiring mind, while for statesmen and political economists they are sources of much useful and even indispensable information. The present work treats of banking as an *art*, and its merits have already been recognized by the public. The principal characteristic of Mr. Gilbart's book is, practical common sense, a due subordination of all the parts of the subject, so that none has an undue prominence; which, being joined with a perspicuous style, accounts for the favor his works have deservedly met with. — *London Economist.*

Out-Door Capital. — The introduction of a regular system of street discounts, and the classification of business paper at regular rates, which ordinarily change only when the money market fluctuates materially, have already worked something of a revolution in the modes of doing business, particularly in the commission business, where the latter is connected with the guarantee of sales. Formerly, no person went into the street for loans, except he was pressed for funds, or wished to rid himself of doubtful assets, and the notes thus offered were hawked around privately, until some capitalist was tempted to make the purchase. Now, at some of the principal brokers', every name has its price, and the holder may dispose of his bill at once, or limit it and leave it for the inspection of purchasers. The effect of this system, when perfected and generally adopted, will be to do away in a great measure with the regular guarantee of sales, or at any rate to equalize the charge for it. A commission house having made a sale of goods, and received the purchaser's note, hands it at once to the owner, or retains it, charging as a guarantee its market price. Thus if the sale be made to a first-class house, the low price which the nature of the risk might induce the commission merchant to accept would be compensated for by a reduction of the guarantee; and, on the other hand, the higher price which might be obtained from a less responsible purchaser would compensate for the greater rate paid in this way as a guarantee. We are not of course recommending a difference of price in sales to houses with various degrees of responsibility, but proceeding upon the assumption of the notorious fact that such differences exist. In the course of discount alluded to, the owner, and not the commission merchant, has the benefit of this difference. — *New York Journal of Commerce.*

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FOREIGN DIPLOMATIC EXPENDITURES.

Official Estimate for 1850 of the Salaries, Outfits, Rents of Houses, &c., of the Ambassadors employed abroad by Great Britain.

Classification.	*Character.*	*Salary.*	*House.*	*Outfit.*
FIRST CLASS.		£	£	£
France, . .	Ambassador and Plenipotentiary, . . .	10,000	. .	4,000
" . .	Secretary of Embassy, ...	1,000	. .	400
" . .	1st Paid Attaché, ...	400	. .	. .
" . .	2d Paid Attaché, ...	300	. .	. .
Austria, . .	Ambassador and Plenipotentiary, . . .	9,000	900	3,000
" . .	Secretary of Embassy, ...	900	. .	300
" . .	1st Paid Attaché, ...	350	. .	. .
" . .	2d Paid Attaché, ...	250	. .	. .
Turkey, . .	Ambassador and Plenipotentiary, . .	7,000	. .	2,500
" . .	Secretary of Embassy, ...	800	. .	300
" . .	Oriental Secretary, ...	500	. .	. .
" . .	1st Paid Attaché, ...	300	. .	. .
" . .	2d Paid Attaché, ...	250	. .	. .
" . .	3d Paid Attaché, ...	250	. .	. .
" . .	4th Paid Attaché, ...	250	. .	. .
" . .	5th Paid Attaché, ...	250	. .	. .
" . .	6th Paid Attaché, ...	250	.	. .
SECOND CLASS.				
Russia, . .	Envoy and Minister Plenipotentiary, . .	6,000	700	2,000
" . .	Secretary of Legation, ...	700	. .	250
" . .	1st Paid Attaché, ...	400	. .	. .
" . .	2d Paid Attaché, ...	300	. .	. .
Spain, . .	Envoy and Minister Plenipotentiary, . .	6,000	400	2,000
" . .	Secretary of Legation, ...	550	. .	. .
" . .	Paid Attaché, ...	250	. .	. .
Prussia, . .	Envoy and Minister Plenipotentiary, . .	5,000	500	2,000
" . .	Secretary of Legation, ...	550	. .	200
" . .	Paid Attaché, ...	250	. .	. .
United States,	Envoy and Minister Plenipotentiary, . .	4,500	500	1,800
" "	Secretary of Legation, ...	550	. .	200
" "	Paid Attaché, ...	200	. .	. .
Two Sicilies,	Envoy and Minister Plenipotentiary, . .	4,000	400	1,600
"	Secretary of Legation, ...	500	. .	180
"	Paid Attaché, ...	. .	. .	. .
Portugal, . .	Envoy and Minister Plenipotentiary, . .	4,000	400	1,600
" . .	Secretary of Legation, ...	500	. .	180
" . .	Paid Attaché, ...	250	. .	. .
Brazil, . .	Envoy and Minister Plenipotentiary, . .	4,000	500	1,600
" . .	Secretary of Legation, ...	550	. .	200
" . .	Paid Attaché, ...	250	. .	. .
Netherlands,	Envoy and Minister Plenipotentiary, . .	3,600	400	1,300
"	Secretary of Legation, ...	500	. .	180
"	Paid Attaché, ...	250	. .	. .

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Classification.	*Character.*	*Salary.*	*House.*	*Outfit.*
Belgium, . .	Envoy and Minister Plenipotentiary, . .	£3,600	£400	£1,300
" . .	Secretary of Legation, ...	500	. .	180
" . .	Paid Attaché, ...	250	. .	. .
THIRD CLASS.				
Sardinia, . .	Envoy and Minister Plenipotentiary, . .	3,600	500	1,300
" . .	Secretary of Legation, ...	500	. .	180
" . .	Paid Attaché, ...	250	. .	. .
Bavaria, . .	Envoy and Minister Plenipotentiary, . .	3,600	400	1,300
" . .	Secretary of Legation, ...	500	. .	180
Denmark, .	Envoy and Minister Plenipotentiary, . .	3,600	400	1,100
" . .	Secretary of Legation, ...	500	. .	180
Sweden, . .	Envoy and Minister Plenipotentiary, . .	3,000	400	1,100
" . .	Secretary of Legation, ...	500	. .	180
Hanover, .	Envoy and Minister Plenipotentiary, . .	3,000	400	1,100
" . .	Secretary of Legation, ...	500	. .	180
Frankfort, .	Envoy and Minister Plenipotentiary, . .	2,600	300	1,000
" .	Secretary of Legation, ...	400	. .	150
" .	Paid Attaché, ...	250	. .	. .
Greece, . .	Minister Plenipotentiary, ...	2,500	300	800
" . .	Secretary of Legation, ...	400	. .	150
" . .	Paid Attaché, ...	250	. .	. .
Wurtemberg,	Envoy and Minister Plenipotentiary, . .	2,000	300	800
"	Secretary of Legation, ...	400	100	150
"	Paid Attaché, ...	250	. .	. .
Saxony, . .	Minister and Plenipotentiary, ...	2,000	300	800
" . .	Secretary of Legation, ...	400	200	150
" . .	Paid Attaché, ...	250	. .	. .
Tuscany, . .	Minister Plenipotentiary, ...	2,000	300	800
" . .	Secretary of Legation, ...	400	. .	150
" . .	Paid Attaché (resident at Rome), . .	500	. .	. .
Switzerland,	Minister Plenipotentiary, ...	2,000	250	800
"	Secretary of Legation, ...	400	. .	150
Mexico, . .	Minister Plenipotentiary, ...	3,600	400	1,300
" . .	Secretary of Legation, ...	600	. .	200
" . .	Paid Attaché, ...	200	. .	. .
Buenos Ayres,	Minister Plenipotentiary, ...	3,000	300	1,100
" "	Secretary of Legation, ...	500	. .	180
FOURTH CLASS.				
Venezuela, .	Chargés d'Affaires, with a diplomatic allowance of £1 a day in addition to Consular Salary as Consuls-General, ...	365	. .	. .
New Granada,		365	. .	. .
Peru, ...		365	. .	. .
Chili, ...		365	. .	. .
Monte Video, .		365	. .	. .
Bolivia, . . .		365	. .	. .
Central America,		365	. .	. .
	Salaries, ...	127,055	9,950	. .
	House-rent, ...	9,950	. .	. .
	Total, ...	£137,005	. .	. .

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Ample as these salaries are, the highest of them — that for the French embassy — does not always suffice. Entertainments to itinerant lords and ladies appear to be the chief absorbent of income. Grand dinner-giving, does, unfortunately, everywhere seem to have an inevitable tendency towards insolvency, as even Lord John Russell fell to leeward on this tack, and "got into debt for the first time in his life," he says, from the extra charge of official banquets. The Lord Mayors of London are in like predicament, and for the most part conclude their mayoralty poorer than they began, with some £ 10,000 or £ 15,000 allowed them out of the city's estate for the support of "ancient hospitalities." But diplomatists have the advantage of their ex-lordships, in the consolatory resource of heavy pensions to fall back upon when exhausted by an ultra profusion.

The subject, with a more careful analysis of the Foreign Secretary's positions thereupon, is deferred to next week. — *Spectator*, *Sept.* 21, 1850.

MISCELLANEOUS.

FRAUD ON THE BANK OF THE STATE OF MISSOURI. — The mercantile community were thrown into considerable excitement yesterday, by the announcement that a large amount of $ 50 counterfeit notes on the Bank of Missouri had made their appearance. They are, indeed, it is said, the most perfect counterfeits ever made on the notes of that bank.

The discovery was made by the teller of Messrs. E. W. Clark & Brothers, who received $ 2,000 in these notes, *from the bank*, a day or two since. He suspected that they were counterfeit, and, on close examination by Messrs. Clark & Brothers, with a magnifying glass, they were finally pronounced bad. The signatures are excellent. Cashier Shoulds acknowledges it impossible for him to detect them by the signature.

Messrs. Page & Bacon received advices from their California house, that counterfeit fifties on the Bank of Missouri had appeared there, and they were on their guard, but we understand that the teller of Messrs. Clark & Brothers discovered several of the fifties in a package of Missouri bank-notes at Page & Bacon's.

The paper of this most dangerous counterfeit is of a very little lighter color than the genuine. Signatures *exactly like the true ones*. On comparing the notes with a magnifying glass, the figure 12 on the scroll in the genuine is found wanting in the counterfeit, and the note appears to be engraved on a different plate from the genuine, though the difference is scarcely perceptible. It is supposed that these counterfeits originated in California.

Since the above was in type, we have obtained the following accurate description of the counterfeit from Mr. Hughes, one of our bank directors: —

"COUNTERFEIT $ 50, BANK OF MISSOURI. — General appearance good. On examination, the engraving will be found to be much coarser than the genuine, especially the drapery of the female figure. Signature of the President and Cashier very well done. The *counterfeit* signed by Jno. Smith, Pres't, in the Jno. the *n o* is written out distinct. In the *genuine*, *n o* runs together. In the counterfeit, signed R. Campbell, Pres't, there is a slight flourish in the termination of the first stroke of the letter R, not in the genuine." — *St. Louis Intelligencer*, *October* 18.

GRAND FORGERY. — A highly respectable mercantile house in this city received lately, from a banking house in San Francisco, ten $ 100 bills on the Bank of the State of South Carolina. The notes were sold to a broker here, who transmitted them to Charleston. Yesterday a telegraphic despatch was received, announcing that the said notes were forged. They bore date September 2d, 1847, and are re-

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markably well executed. There must be considerable skill and excellence in the fine arts in California. — *New Orleans Delta, October 3d.*

Robbery of the City Bank, Quebec. — Whereas a reward of $1,000 has been offered for the apprehension of Robert Fenning Coles, late Teller in the Quebec Branch of the City Bank, who on the 29th September last absconded, robbing the bank of divers sums of money; and whereas, said Coles is still at large, and from the exertions which have been made for his apprehension within the United States and Canada, without success, there is now reason to believe he may yet be lurking at no great distance, in some secluded place within the Province or the bordering States; notice is hereby given, that a reward of $2,000 will be paid, by the City Bank in Montreal, to any person or persons who shall apprehend and safely deliver to the keeper of any of her Majesty's prisons in Canada, the said Robert Fenning Coles. Said Coles is about five feet ten or eleven inches high, fair complexion, aquiline nose, good looking, good teeth, hair light color, slightly curled and sprinkled with gray; portly, gentlemanly-looking person, — an Englishman; when he speaks, sometimes a twitching or nervous action will appear in one cheek. Application to be made to F. Macculloch, Cashier of the City Bank, Montreal; Charles Gethings, Cashier, Quebec Branch; or D. S. Kennedy, Banker, New York.

William Workman, President.

Montreal, October 25, 1850.

San Francisco. — Since the failure of Barton, Lee, & Co., and one or two other firms of lesser note, engaged in the same business at Sacramento, a feeling of distrust towards banking houses has been very generally prevalent throughout the country. This feeling has been favored by many absurd and mischievous rumors, circulated in the interior, and even published in some of the country prints, with little judgment and less decency, a course to be reprobated by every good citizen, and productive only of evil.

Soon after the departure of the steamer, the failure of Messrs. Simmons, Hutchinson, & Co., a banking and commission house of much respectability, was announced. This event was followed by a very general and heavy call upon other banking houses, which prevailed until Friday night. On Saturday morning the house of H. M. Naglee remained closed, and a panic ensued, reminding us of scenes we have witnessed in the old States. With the exception of a few houses very recently established, and of limited business, the rush upon our principal banking houses was very animated and exciting.

Especially was this the case at the banking-house of Burgoyne & Co., where much the largest crowd assembled, filling the doors, windows, and side-walks adjacent. This house being one of the city, engaged in that line of business, held a large amount of money and treasure, and their depositors were very numerous, — hence the partiality shown them on this occasion. The call was responded to, however, with the greatest promptitude and cheerfulness, and every facility afforded to those holding claims. Police officers were employed to clear the room of idlers, from time to time, to make way for those having business to transact, and the doors were kept open an hour later than usual. Messrs. Burgoyne & Co. also posted notices that the bank would be opened on Sunday morning for the accommodation of the public. By four o'clock, however, the excitement began to subside, and had ceased at five. The community were satisfied, and have so continued. The golden tide is flowing back again into hands that have proved themselves so worthy of confidence. Assistance was very kindly and repeatedly offered by wealthy firms and individuals to Messrs. Burgoyne & Co., but was as often declined, the house relying, with entire confidence, upon its own resources We do not hesitate to say, that this house is perfectly solvent, and abundantly able to meet all demands, at any time, which can be made upon it. Our bankers and business men may well be proud of this truly gratifying result, and we may venture to anticipate a more prosperous and healthful state of things hereafter, both in trade and finance. Subjoined is a list of bankers of our city which have proved themselves safe and reliable; and we trust that the small financial panic, consequent upon the failures of two or three, will produce no doubt or disastrous consequences in the Atlantic cities among the business men: —

Burgoyne & Co.; James King of Wm.; Page, Bacon, & Co.; S. Beebee, Ludlow, & Co.; B. Davidson, agent for Rothschilds; Wells & Co.; Argenti & Co.; D. I. Tallent & Co.; E. Dunbar's California Bank; Adams & Co. — *Pacific Courier.*

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Stocks and Exchanges.

STATE SECURITIES, Nov. 23, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	"	sterling,	105	"
New York,	6	"	1860	111	" 112
"	6	"	1865	119	" 120
"	5	"	1858	105½	" 106½
"	5	"	1866	105½	" 107
Pennsylvania,	6	"	1879	107	" 107½
"	6	"	past due,	99½	" 100½
"	5	"	. . .	92¼	" 93
Maryland,	6	"	. . .	102	" 103
"	5	"	. . .	88	" 90
"	5	"	sterling,	100	" 100¾
Virginia,	6	"	. . .	100	" 101
South Carolina,	6	"	. . .	100	" 104
Ohio,	5	"	1856	105⅞	" 107
"	6	"	1875	116½	" 117
"	7	"	1851	101½	" 102
Kentucky,	6	"	1871	106¼	" 106½
"	5	"	. . .	87	" 90
Tennessee,	5	"	. . .	86	" 88
"	6	"	. . .	101	" 104
Indiana Bonds,		"	. . .	50	" 55
Indiana State,	5	"	. . .	80	" 81
Alabama,	5	"	. . .	90	" 91
"	6	"	. . .	92	"
Arkansas,	6	"	. . .	52	" 54
Illinois Int. Imp. Stock,			. . .	62	" 64
" Interest Stock,			. . .	38	" 39

BALTIMORE, Nov. 20.

Baltimore, 6 per cent.,	1890	103¾	to 105
B. and Ohio R. R. Stock,		73	" 73¾
" " Bonds,	1854	99	" 100
" " Bonds,	1867	92	" 93
Bank of Baltimore, . .	100	97½	" 98
Merchants' Bank, . . .	100	101½	" 102
Union Bank, ...	75	71	" 72
Mechanics' Bank, . . .	15	16	" 17
Commercial and Farmers',	33⅓	38	" 40
Western Bank, ...	20	20¾	" 21½
Farmers and Planters', .	25	28	" 28¼
Chesapeake Bank, . . .	25	25½	" 26
Marine Bank, ...	30	27¾	" 29
Farmers and Merchants',	40	37	" 38
Franklin Bank, ...	12½	11½	" 12
Farmers' Bank of Maryland,	50	51	" 52
Patapsco Bank, ...	25	23	" 25

PHILADELPHIA, Nov. 20.

U. S., 6 per cent.,	1856	108¼	to 110
" "	1862	112¾	" 113½
" "	1867	116½	" 117
" "	1868	116½	" 117½
" Coupons,	1868	118	" 113½
" 5 per cent.,	1853	103	" 104
" Treasury Notes, 6 p. cent.,		114½	" 115½
Philadelphia, 6 per cent.,		106½	" 107
Nashville, 6 per cent.,	100	92	" 93
Alleghany, "	100	92	" 93
Cincinnati, 6 p. ct., water-works,		97	" 97½
Pittsburg, 6 per cent., coupons,		97	" 98
St. Louis, " "		95	" 97
Bank of Pennsylvania, .	100	118½	" 119
" North America,	100	144	" 150
Philadelphia Bank, . . .	100	139	" 140
Farmers and Mechanics',	50	69¾	" 70
Commercial Bank, . . .	50	60	" 61
B. Northern Liberties, .	35	50	" 53
Mechanics' Bank, . . .	20	29	" 29¼
Southwark Bank, . . .	50	70	" 74
Kensington Bank, . . .	50	62	" 65
B. Penn Township, . .	22½	30	" 31
Western Bank, ...	40	66	" 68
Manuf. and Mechanics', .	25	27¾	" 28
Bank of Commerce, . .	50	60	" 65
Girard Bank, ...	12½	12½	" 12¾
Bank of Pittsburg, . . .	50	50	" 52
Exchange Bank, . . .	50	47¾	" 48
Merchants and Manuf., .	50	50	" 52
Texas Treasury Notes, .	100	104	" 105
Bank of Louisville, . .	100	110	" 115
Northern Bank, Ky., . .	100	109	" 110
Bank of Kentucky, . .	100	69	" 72
Union Bank, Tennessee,		68	" 70
Planters' Bank of Tenn.,		114	" 115
N. O. Gas Light Bank. Co.,	25	20⅛	" 20⅛
Morris Canal, ...	50	35⅛	" 35½
Reading Railroad, . . .		78¾	" 79
" Bonds, 6 p. cent.,	1870,	85¼	" 86
" Mortgages,	1860,	19¼	" 20
Com. and Vicks. R. R. B.,	100	131	" 134
Phil. and Trenton Railroad,	100	29¾	" 31
Phil., W., Balto. Railroad,	50	47½	" 48
Harrisburg Railroad, . .	50	42	" 42¼
Schuylkill Navigation, .	50	134½	" 136
Camden and Amboy R. R.	100		

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NEW YORK, Nov. 23.

N. Y. City, 7 per cent.,	1857	112 to 113½
" 5 "	1856	100 " 104
" 5 " W. Ln.,	1858	102 " 104
Brooklyn City, 6 per cent.,		104 " 106
Albany " 6 " . .		103¼ " 105¼
Columbus " 7 " . .		97 " 100
Erie R. R. Bonds, 1st Mortgage,		106¾ " 107
Hudson River R. R. Bonds, .		101⅞ " 101¾
Hartford and New Haven R. R.,		118 " 120
Erie R. R. Bonds, 2d Mortgage, 7		100¼ " 100½
Syracuse and Utica, . . . 8		128 " 130
" Rochester, . 8		112½ " 114
Long Island Railroad, . . .		14 " 15
Providence and Stonington, .		40 " 41
N. Y. and New Haven R. R., .		113½ " 114
Paterson Railroad, ...		104 " 105
Tonawanda Railroad, . 20		129 " 135
Harlem Railroad, ...		62¼ " 63
Mohawk Railroad, ...		90 " 91
Utica and Schenectady, . . .		155 " 160
Hudson River Railroad, . . 6		73½ " 74
Bank of New York, . . . 10		139½ " 141
Manhattan Bank, ... 7		118 " 119
Merchants' Bank, ... 10		121 " 123
Mechanics' Bank, ... 10		120 " 122½
Union Bank, ... 10		130 " 135
Bank of America, ... 8		114 " 115
City Bank, ... 10		122 " 125
Phenix Bank, ... 7		108 " 109
Tradesmen's Bank, . . 15		142 " 150
Fulton Bank, ... 10		125 " 130
Del. and Hudson C. Co., . 24		156 " 158
Butchers and Drovers', . 10		130 " 135
National Bank, ... 8		112½ " 116
Merchants' Exchange, . . 8		117 " 120
Leather Manufacturers', . . 8		112 " 118
Bank of the State of N. Y.,	7	104 " 106
Bank of Commerce, . . . 8		109½ " 110
Mech. Banking Association,	7	103 " 104
American Exchange Bank,	10	122 " 125
N. Y., L. I., and T. Co., . . 8		123 " 125
Farmers' L. and T. Co., . . .		50¾ " 51
Ohio Life and T. Co., . . .		108 " 108½
Canton Co., ...		55¼ " 55½
Bank of Louisiana, . . . 10		121 " 130
Louisiana State Bank, . . 10		100 " 110
N. O. Canal and B. Co., . . 6		95 " 98
Mech. and Traders' N. O., . 8		95 " 98
Cleveland and Cin. R. R., 7 p. c.,		95 "
Columbus and Xenia, " 7 "		95 " 96
Ohio and Pa., " 7 "		92 " 93
Alleghany City, 6 p. ct., 25 yrs.,		92 " 93
Pittsburg, 6 " 30 yrs,		97 "
Alleghany Co., 6 "	1860	96 "

BOSTON, Nov. 22.

Boston, 6 per cent., 1853, . .		102 to 102½
" 5 " 1860, . .		100 " 100¼
East Boston Co., ...		18 " 18½
Atlantic Bank, ...		109½ " 110
Atlas Bank, ...		100 " 101
Boston Bank (par 50), . . .		57 "
Boylston Bank, ...		108 " 110
City Bank, ...		103 " 104
Cochituate Bank, ...		101½ " 102
Columbian Bank, ...		102 " 103
Eagle Bank, ...		105 " 106
Exchange Bank, ...		104½ " 105
Freeman's Bank, ...		109 " 110
Globe Bank, ...		108 " 109
Granite Bank, ...		105 " 106
Grocers' Bank, ...		101 " 102
Hamilton Bank, ...		104 " 105
Market Bank (par 70), . . .		83 " 85
Massachusetts Bank (par 250),		250 " 253
Mechanics' Bank, ...		103 " 105
Merchants' Bank, ...		109 " 109½
New England Bank, ...		108 " 109½
North Bank, ...		101 " 102
Shawmut Bank, ...		104 " 105
Shoe and Leather Dealers' Bank,		111 " 113
State Bank (par 60), ...		63 " 64
Suffolk Bank, ...		134 " 136
Traders' Bank, ...		105 " 105½
Tremont Bank, ...		104 " 105
Union Bank, ...		108 " 109
Washington Bank, ...		100½ " 101
Boston and Lowell R. R. (par 500),		580 " 585
" Maine Railroad, .		104½ " 105
" Providence Railroad,		86 " 87
" Worcester "		102 " 103
Concord Railroad (par 50), . .		54½ " 55
Connecticut River Railroad, .		83 "
Eastern Railroad, ...		103 " 104
Fall River Railroad, ...		83 " 84
Fitchburg Railroad, ...		113 " 114
Hartford and New Haven R. R.,		124 " 126
Nashua and Lowell Railroad, .		108½ " 109
Norwich and Worcester preferred,		56¾ " 58½
Northern Railroad, ...		68 " 69
Old Colony Railroad, ...		60½ " 61
Stonington "		40 " 41
Vermont and Mass. Railroad, .		31 " 31½
Vermont Central Railroad, . .		33¼ " 33¾
Western Railroad, ...		104 " 104½
Albany W. Railroad, 6 per cent.,		106 " 108
Michigan Central Railroad, .		100 " 101
New Bedford and Taunton R. R.,		112 " 115
Rutland Railroad, ...		56 " 57

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BANK ITEMS.

MASSACHUSETTS. — John Gardner, Esq., has been reëlected President of the Shawmut Bank, Boston.

Washington Bank. — Almon D. Hodges, Esq., has been elected President of the Washington Bank, in place of Aaron Baldwin, Esq., who declined a reëlection after serving twenty-five years in that office.

Bank of Commerce. — Edward C. Bates, Esq., has been reëlected President of the Bank of Commerce.

We understand that the stockholders have authorized the President to apply to the Legislature for liberty to increase the present capital to a million and a half dollars.

Columbian Bank. — James M. Gordon, Esq., has been elected Cashier of the Columbian Bank, Boston, in place of William Coffin, Esq, resigned.

VERMONT. — Byron Murray, Jr., Esq. (late Teller in the Bank of Vergennes) has been elected Cashier of the Farmers' Bank, Orwell, in place of W. B. Martin, deceased.

Montpelier. — The capital of the Vermont Bank has been increased to $100,000, all paid in, according to the charter.

CONNECTICUT. — Francis Bradley, Esq., for many years Teller of the City Bank, New Haven, has been elected Cashier of that institution.

RHODE ISLAND. — Robert Rogers, Esq., has been elected President of the Eagle Bank, Bristol.

NEW YORK. — Amos A. Bradley, Esq., has been elected Cashier of the Fort Plain Bank, in place of J. C. Babcock, Esq., resigned.

Eagle Bank, Brighton. — Charles P. Bissell, Esq., until recently Cashier of the Western Bank, Springfield, has become Manager of the Eagle Bank at Brighton, New York. His residence will be at Rochester, in that State.

NEW JERSEY. — The following appointments have been made: — State Bank, Newark, J. D. Orton, Cashier, *vice* W. H. Mott, deceased. Orange Bank, Orange, W. H. Vermilye, Cashier, *vice* C. G. Rockwood, resigned. Commercial Bank, Amboy, R. H. Cornwell, Cashier, *vice* J. A. Nichols, resigned. Princeton Bank, Princeton, George T. Olmsted, President, *vice* R. S. Field, resigned.

PENNSYLVANIA. — Applications will be made to the next Legislature for incorporating the following banks, and for additional capital: —

NEW BANKS.

Richmond Bank,	Philadelphia County,	Capital	$ 500,000
Anthracite Bank,	Tamaqua, Schuylkill County,	"	250,000
Carlisle Bank,	Cumberland County,	"	100,000
Farmers and Mechanics' Bank,	Easton, Northampton County,	"	300,000
Valley Bank,	Monongahela, Washington County,	"	150,000
Mauch Chunk Bank,	Mauch Chunk,	"	200,000
Spring Garden Bank,	Philadelphia,	"	250,000
Blair County Bank,	Hollidaysburg,	"	300,000
Farmers and Mechanics' Bank,	Allentown,	"	200,000
Bank of Fayette County,		"	100,000

ADDITIONS AND RECHARTERS.

Bank of Commerce,	Philadelphia,	Increase	$ 250,000
Southwark Bank,	"	"	150,000
Kensington Bank,	"	"	250,000
Dauphin Deposit Bank,	Harrisburg,	"	150,000
Mechanics' Bank,	Philadelphia,	Renewal	1,000,000
Easton Bank,	Easton,	"	400,000

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Dividends of the Philadelphia Banks.

	Capital.	*Year* 1848. *Per cent.*	*Year* 1849. *Per cent.*	½ *Year* 1850. *Per cent.*	½ *Year* 1850. *Per cent.*
Bank of Pennsylvania, . .	$ 1,875,000	8	8	4½	4½
Bank of North America, . .	1,000,000	10	15	5	5
Farmers and Mechanics' Bank,	1,250,000	12½	9	5	10
Girard Bank, ...	1,250,000	. .	12	2	3
Philadelphia Bank, ...	1,150,000	12	15	7	7
Commercial Bank of Pa., . .	1,000,000	8	8	4	4
Mechanics' Bank, ...	800,000	10	10	6	6
Western Bank, ...	500,000	10	10	5	7
Bank of Northern Liberties, .	350,000	10	10	10	5
Manufacturers and Mechanics', .	300,000	7½	8	4	4
Kensington Bank, ...	250,000	10	10	5	5
Southwark Bank, ...	250,000	10	10	5	10
Bank of Commerce, . . .	250,000	6	6	5	5
Bank of Penn Township, . .	225,000	10	10	5	5
Tradesmen's Bank, ...	150,000	. .	3	3	3
Total Capital, ...	$ 10,600,000				

The two first-named banks pay their dividends in January and July, the others in May and November.

Bank of Virginia and Branches.

The following Report for October, 1850, reached us after the former tables, page 442, had gone to press.

Liabilities.	*Oct.*, 1846.	*Oct.*, 1847.	*Oct.*, 1849.	*Oct.* 1, 1850.
Capital, ...	$ 2,550,870	$ 2,550,870	$ 2,550,870	$ 2,550,870
Circulation, ...	2,000,145	2,292,393	2,044,765	2,116,386
Deposits, ...	940,022	1,068,100	1,098,566	1,307,455
Contingent Fund, ...	83,053	130,314	186,478	220,333
Profits (less expenses), . .	58,266	66,465	66,806	67,660
Bank Balances, ...	183,380	106,337	130,238	142,792
Balances *in transitu*, . .	3,804	27,586	25,586	3,569
Total Liabilities, . . .	$ 5,819,540	$ 6,242,065	$ 6,103,309	$ 6,409,065
Resources.	*Oct.*, 1846.	*Oct.*, 1847.	*Oct.*, 1849.	*Oct.*, 1850.
Outstanding Debt, ...	$ 4,303,913	$ 4,545,664	$ 4,455,848	$ 4,722,527
Real Estate, ...	206,370	196,317	171,458	163,168
Sterling Bills, ...	43,726	16,385	8,105	1,458
Stocks, ...	153,140	153,140	157,968	143,044
Specie, ...	768,225	830,818	768,046	853,950
Bank Balances and Notes, . .	344,166	445,944	451,028	460,112
Defalcation at Lynchburg, .	. . .	53,797	90,856	64,806
Total Resources, . . .	$ 5,819,540	$ 6,242,065	$ 6,103,309	$ 6,409,065

Illinois. — *Banking.* — A general idea seems to prevail that a banking system will be submitted to the people by the Legislature just elected, based entirely upon Illinois bonds, at fifty cents on the dollar. The plan to be similar to the law of New York. The State officers to hold the bonds, procure the bills, countersign and register them, and deliver only so many bills as shall be equivalent to bonds left as security in their hands. Such a system is safe, and would be approved by the people. — *Chicago Journal.*

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ALABAMA. — The new Southern Bank of Alabama, at Mobile, has an authorized capital of $500,000, of which the sum of $400,000 has been paid in. *President*, H. A. Schroeder, Esq.; *Cashier*, Daniel C. Sampson, Esq. The bank was opened for business on the 15th of October last.

KENTUCKY. — The Southern Bank of Kentucky, chartered in 1850, commenced business on the 26th of October. The parent bank is located at Russellville, Logan County, and the two branches at Smithland, Livingston County, and Owensboro, Davies County.

The capital of the Southern Bank is $1,000,000, — all of which is subscribed, viz. one half by individuals in cash, and the other half by the State; the latter portion payable in bonds issued by the Commonwealth. The officers elected are as follows: —

Location.	*President.*	*Cashier.*
Russellville, Logan Co.,	George W. Norton,	M. B. Morton.
Owensboro Branch, Davies Co.,	J. B. Alexander,	J. B. Anderson.
Smithland Branch, Livingston Co.,	William Gordon,	Benjamin Barner.

BANK CIRCULATION.

From Willis and Co's. Bank-Note List for October.

There is quite a war going on between the brokers and banks of Ohio and Indiana. The constant drafts for specie give much trouble, and, it may be safely said, do no good to either party. There is room enough for all the moneyed institutions now existing in both States, and they are all abundantly fortified against any legitimate demands for coin.

It is a mistake on the part of any banking concern to throw impediments in the way of calls upon them for specie. By liberal arrangements at certain points, bank circulation should be redeemable where it is most used. If all the banks of Ohio, Kentucky, and Indiana maintained a fund at one certain commercial point, for the redemption of their paper, it would facilitate, rather than diminish, their circulation, and at the same time obviate the necessity that is now permitted to exist for keeping on hand heavy specie balances in their vaults.

This can be better illustrated by the statements of the New England Banks. The bank circulation of these six States amounts to $30,000,000, nearly every dollar of which is redeemable at par in Boston, where less than three millions in coin are held by the Boston banks to meet their own cash liabilities and this large circulation. Nearly every place of issue is accessible within twenty-four hours, and more than half in less than ten hours; yet Maine has in coin only eighteen cents per dollar of circulation; New Hampshire ten cents per dollar; Vermont, six cents per dollar; Rhode Island, ten cents per dollar, and Connecticut only eight cents per dollar. The heavy cost and risk of maintaining large specie balances are thus avoided. The resources of these banks are more available for their customers, while no uneasiness is felt by the community, and drafts for coin rarely occur.

On the other hand, the Western banks on the Ohio have *seventy* redeeming points instead of one, and three millions in coin are held where one million would suffice. Their circulation is as follows: —

		Circulation.	*Coin.*
Ohio,	57 banks,	$10,000,000	$2,700,000
Indiana,	12 "	3,300,000	1,200,000
Kentucky,	16 "	7,600,000	2,600,000

This aggregate circulation of twenty millions is sustained by holding over six millions in coin, two thirds of which are superfluous. If the same circulation were redeemable in coin at Cincinnati, or in Eastern exchange at one half of one per cent., the whole could be better managed on two millions than six. We find that the country banks of New York have a circulation of twenty millions, all of which is redeemable at two points, with one million in coin, and drafts on the banks for metal are too expensive to occur frequently. If these Western banks would deposit four millions of coin at New York, and redeem at one or two central points on the Ohio, they could extend their loans to that amount at least, lessen the risk and cost of keeping large sums in their vaults, and all the paper could be kept at a shade below par.

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Notes on the Money Market.

BOSTON, 25TH NOVEMBER, 1850.

Exchange on London, sixty days, 109½ *to* 109¾.

THE demand for money during the past month has increased, with rates rather less favorable to the borrower. There is accommodation enough in the banks for good business paper, and the drafts upon street capital are not very heavy. We continue to receive large quantities of gold dust from California, the effect of which is not felt directly by the banks of the large cities. The new accessions of coin appear to be generally diffused throughout the whole country; nearly all the banks, whose reports we have seen, showing increased specie funds.

We select the following instances to show this increase of coin within the last twelve or fifteen months:—

Charleston Banks,	July, 1849,	$ 1,080,000	July,	1850,	$ 1,060,000
Bank of Charleston,	" "	436,000	"	"	656,000
Kentucky Banks,	" "	2,680,000	"	"	2,860,000
Connecticut Banks,	April, "	575,000	April,	"	640,000
Virginia Banks,	Oct., "	1,700,000	Oct.,	"	2,120,000

Some few of the gold-seekers in California have been successful in their pursuit, but the bulk of them have not realized any thing beyond their immediate expenses. The consequence is, that many have returned to the Eastern States, and a large proportion of the remainder are now giving their attention to agricultural and commercial pursuits. The belief is becoming general, that the surface gold deposits are, or soon will be, exhausted; and that the product of California gold in the year 1851 will not exceed that of 1850. In the face of disheartening prospects, the tide of emigration is as strong as at any previous time, and the steamers are in every instance crowded to excess.

California must, however, become a great commercial State, and serve finally as the great highway between China and the United States. The most populous, and one of the most productive countries in the world is now her neighbour, and within a few days' reach. It is in this point of view, in reality, and not as a gold-producing country, that California must assume an important commercial position, — and thus furnish a vast market, and become a channel to a yet larger market, for the manufactures of this Union.

We regret to see the spirit of dissension existing among some of the Western banks. Coinciding with the views of our contemporary, as expressed in a previous page, on this subject, it is to be hoped that the feeling of jealousy will be soon removed from among them, and that harmony will be restored. Each institution has a wide field for beneficial operation, and their separate and combined success will be but promoted by forbearance and conciliation. They will find, ere long, that in union there is strength, while in division there is weakness.

The gradual increase of coin in the banks of the country, followed by active business operations, and by speculation in stocks and property, has created a demand for additional bank capital in several States. This has been complied with, in Kentucky, Alabama, New York, Massachusetts, Vermont, &c. The new banks that have recently gone into operation are as follows:—

	Capital authorized.	*Paid in.*
The Southern Bank, Mobile,	$ 500,000	$ 400,000
Farmers' Bank of Kentucky and Branches,	2,300,000	750,000
Southern Bank of Kentucky and Branches,	1,000,000	500,000
In Massachusetts, nine new banks,	3,500,000	3,500,000
In Vermont, three new banks,	300,000	160,000
City of New York, four new Banks,	2,000,000	1,800,000

and of those in the State of New York we have at present no record.

Stocks, generally, maintain good prices, with an upward tendency and a spirit of speculation. The principal operation of the month has been in Michigan Southern Railroad seven per cent. bonds. Of these $400,000 were offered, and bids were made to the

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amount of $ 1,328,000, at prices varying from 82.50 to 92.03. The following were the successful bidders, the amounts taken, and the premiums: —

J. W. Perkins,	$ 5,000 at 92 03	H. Brayton,	$ 5,000 at 90
R. & N. Dart,	5,000 " 91 ½	Chas. Gould,	50,000 " 90
J. N. Perkins,	5,000 " 91 03	T. H. Hubbard,	10,000 " 90
J. Ten Eyck,	1,000 " 90 ½	W. M. Burr,	5,000 " 90
J. Ten Eyck,	1,000 " 90 ¾	J. L. King,	10,000 " 90
H. Denio,	1,000 " 90 ¼	D. B. St. John,	5,000 " 90
Calvin Burr,	3,000 " 90 ¼	J. Ten Eyck,	2,000 " 90
P. W. Engs,	3,000 " 90 ½	T. B. Myers,	10,000 " 90
Calvin Burr,	2,000 " 90 ¼	J. B. James,	75,000 " 89 99
J. Ten Eyck,	1,000 " 90 ¼	H. Seymour,	50,000 " 89 98
H. P. Voorhees,	10,000 " 90 05	P. McMartin,	75,000 " 89 95
W. B. Welles,	10,000 " 90	Chas. Gould,	46,000 " 89 95
E. Litchfield,	10,000 " 90		

In addition to the above, there were bidders amounting in the aggregate to $ 928,000, at the following prices: —

$ 4,000 at 89.95, $ 20,000 at 90.98, $ 50,000 at 89.50, $ 10,000 at 89.87½, $ 55,000 at 88.50, $ 40,000 at 88, $ 114,000 at 87½, $ 400,000 at 87.11, $ 10,000 at 86.50, $ 56,000 at 85.01, $ 55,000 at 84.52, $ 105,000 at 84.26, $ 5,000 at 82 50. Total, $ 928,000.

Making the total amount of bids $ 1,328,000, being over three times the amount offered for sale. This large amount of bids proves that the attention of our capitalists has been turned to these first-class Western securities.

The stock of the Farmers' Bank of Kentucky is offered in the New York market, but with what success we do not yet learn. Our stock tables will show that bank shares are highly in favor with capitalists, and the tables of Philadelphia dividends will serve to show the profits on bank capital employed there. These profits arise from larger loans and deposits than are enjoyed by the banks of other cities generally, when compared with capital. As compared with Boston and Baltimore they are as follows: —

	Capital.	*Deposits.*	*Loans.*
Philadelphia,	$ 10,600,000	$ 10,900,000	$ 23,500,000
Boston,	15,000,000	3,300,000	25,000,000
Baltimore,	7,000,000	3,800,000	11,600,000

The loans of the Philadelphia banks are thus shown to be nearly one hundred and fifty per cent. beyond their capital stock, at an average rate of interest, we may assume (including exchange), of seven and a half per cent. per annum; while the loans of the Boston banks are only sixty-seven per cent. beyond their capital.

We have no indications of the feeling of the Massachusetts Legislature towards further banking capital. We see no grounds for any objection to the increase about to be asked for, if in proper hands. It seems to us that the true policy would favor an increase of the capital of those in operation, rather than the establishment of new institutions.

London Money Market, *October* 30. — There has been no material variation this month from the quiet state of things which we have had to report during the greater part of the year. In the money market, before the issue of the dividends, the slightly increased value of money alluded to in our last number continued to prevail. There was an active business at the former rates, with the turn in favor of the lender; and the tendency was in some degree to resort to the Bank of England at 2½ per cent. The brokers' rates "at call" were 2 per cent. Since the dividends, money has been more plentiful, and on some days it has been difficult to place funds on deposit in Lombard Street, even at 2 per cent. For first-class paper, the rate of discount may be called 2¼ to 2½, with a tendency to higher rates, according to dates and circumstances. — *London Bankers' Magazine.*

DEATH.

At Catskill, New York, on the 10th of October, Hiland Hill, Esq., for many years President of the Catskill Bank.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. JANUARY, 1851. No. VII.

BANK-NOTE FORGERIES.

By Charles Dickens.

Continued from page 369.

CHAPTER II.

In the history of crime, as in all other histories, there is one great epoch by which minor dates are arranged and defined. In a list of remarkable events, one remarkable event more remarkable than the last, is the standard around which all smaller circumstances are grouped. Whatever happens in Mohammedan annals, is set down as having occurred so many years after the flight of the Prophet; in the records of London commerce, a great fraud or a great failure is mentioned as having come to light so many months after the flight of Rowland Stephenson. Sporting men date from remarkable struggles for the Derby prize; and refer to 1840 as "Bloomsbury's year." The highwayman of old dated from Dick Turpin's last appearance on the fatal stage at Tyburn turnpike. In like manner, the standard epoch in the annals of Bank-Note Forgery is the year 1797, when (on the 25th of February) one pound notes were put into circulation instead of golden guineas; or, to use the city idiom, "cash payments were suspended."

At that time the Bank of England note was no better in appearance — had not improved as a work of art — since the days of Vaughan, Mathieson, and Old Patch; it was just as easily imitated, and the chances of the successful circulation of counterfeits were increased a thousandfold.

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Up to 1793 no notes had been issued even for sums so small as five pounds. Consequently all the bank paper then in use passed through the hands and under the eyes of the affluent and educated, who could more readily distinguish the false from the true. Hence, during the fourteen years which preceded the non-golden and small-note era, there were only three capital convictions for the crime. When, however, the Bank of England notes became "common and popular," a prodigious quantity — to complete the quotation — was also made "base," and many persons were hanged for concocting them.

To a vast number of the humbler orders, bank-notes were a rarity and a "sight." Many had never seen such a thing before they were called upon to take one or two pound notes in exchange for small merchandise, or their own labor. How were they to judge? How were they to tell a good from a spurious note? — especially when it happened that the officers of the Bank themselves were occasionally mistaken, so complete and perfect were the imitations then afloat. There cannot be much doubt that, where one graphic rascal was found out, ten escaped. They snapped their fingers at the executioner, and went on enjoying their beefsteaks and porter; their winter treats to the play; their summer excursions to the suburban tea-gardens; their fashionable lounges at Tunbridge Wells, Bath, Margate, and Ramsgate; doing business with wonderful unconcern and "face" all along their journeys. These usually expensive, but to them profitable, enjoyments were continually coming to light at the trials of the lesser rogues who undertook the issue department; for from the ease with which close imitation was effected, the manufacture was more readily completed than the uttering. The fraternity and sisterhood of utterers played many parts, and were banded in strict compact with the forgers. Some were turned loose into fairs and markets, in all sorts of appropriate disguises. Farmers, who could hardly distinguish a field of standing wheat from a field of barley; butchers who never wielded more deadly weapons than two-prong forks; country boys with Cockney accents, bought gingerbread, and treated their so-called sweethearts with ribbons and muslins, all by the interchange of false "flimseys." The better mannered disguised themselves as ladies and gentlemen, paid their losings at cards or hazard, or their tavern bills, their milliners, and coach-makers, in motley money composed of part real and part base bank paper. Some went about in the cloak of the Samaritan, and generously subscribed to charities wherever they saw a chance of changing a bad "five" for three or four good "ones." Ladies of sweet disposition went about doing good among the poor; personally inquired into distress, relieved it by sending out a daughter or a son to a neighbouring shop for change; and left five shillings for present necessities, walking off with fifteen. So openly — in spite of the gallows — was forgery carried on, that whoever chose to turn utterer found no difficulty in getting a stock in trade to commence with. Indeed, in the days of highwaymen, no travelling gentleman's pocket or valise was considered properly furnished without a few forged notes wherewith to satisfy the demands of the members of the "High Toby." This offence against the laws of the road, however, soon became too common, and

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wayfarers who were stopped and rifled had to pledge their sacred words of honor that their notes were the genuine promises of Abraham Newland; and that their watches were not of the factory of Mr. Pinchbeck.

With temptations so strong, it is no wonder that the forger's trade flourished, with only an occasional check from the strong arm of the law. It followed, therefore, that from the issue of small notes, in February, 1797, to the end of 1817, — twenty years, — there were no fewer than eight hundred and seventy prosecutions connected with bank-note forgery, in which there were only one hundred and sixty acquittals, and upwards of three hundred executions! 1818 was the culminating point of the crime. In the first three months there were no fewer than one hundred and twenty-eight prosecutions by the Bank; and by the end of that year, two-and-thirty individuals had been hanged for note forgery. So far from this appalling series of examples having any effect in checking the progress of the crime, it is proved that at, and after, that very time, base notes were poured into the Bank at the rate of *a hundred a day!*

The enormous number of undetected forgeries afloat, may be estimated by the fact, that from the 1st of January, 1812, to the 10th of April, 1818, one hundred and thirty-one thousand three hundred and thirty-one pieces of paper were ornamented by the bank officers with the word "Forged," — upwards of one hundred and seven thousand of them were one-pound counterfeits.

Intrinsically, it would appear from an Hibernian view of the case, then, that bad notes were nearly as good (except not merely having been manufactured at the Bank) as good ones. So thoroughly and completely did some of them resemble the authorized engraving of the Bank, that it was next to impossible to distinguish the false from the true. Countless instances, showing rather the skill of the forger than the want of vigilance in bank officials, could be brought forward. Respectable persons were constantly taken into custody on a charge of uttering forgeries, imprisoned for days, and then liberated, — a close scrutiny proving that the accusations were made upon genuine paper. In September, 1818, Mr. A. Burnett, of Portsmouth, had the satisfaction of having a note which had passed through his hands returned to him from the Bank of England with the base mark upon it. Satisfied of its genuineness, he re-inclosed it to the cashier, and demanded its payment. By return of post he received the following letter: —

"*Bank of England*, 16 *Sept.*, 1818.

"Sir, — I have to acknowledge your letter to Mr. Hase, of the 13th instant, inclosing a one-pound note, and, in answer thereto, I beg leave to acquaint you, that, on inspection, it appears to be a genuine note of the Bank of England; I therefore, agreeably to your request, inclose you one of the like value, No. 26,276, dated 22d August, 1818.

"I am exceedingly sorry, Sir, that such an unusual oversight should have occurred to give you so much trouble, which I trust your candor will induce you to excuse when I assure you that the unfortunate mistake has arisen entirely out of the hurry and multiplicity of business.

"I am, Sir, your most obedient servant,

"A. Burnett, Esq., "J. Rippon."

"7 Belle Vue Terrace, Southsea, near Portsmouth."

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A more extraordinary case is on record. A note was traced to the possession of a tradesman, which had been pronounced by the Bank Inspectors to have been forged. The man would not give it up, and was taken before a magistrate, charged with "having a note in his possession, well knowing it to be forged." He was committed to prison on evidence of the Bank Inspector; but was afterwards released on bail to appear when called on. He was *not* called on; and, at the expiration of twelve months (having kept the note all that time), he brought an action against the Bank for false imprisonment. On the trial the note was proved to be genuine! and the plaintiff was awarded damages of one hundred pounds.

It is a fact sufficiently dreadful, that three hundred and thirty human lives should have been sacrificed in twenty-one years; but when we relate a circumstance which admits the merest probability that some—even one — of those lives may have been sacrificed in innocence of the offence for which they suffered, the consideration becomes appalling.

Some time after the frequency of the crime had in other respects subsided, there was a sort of bloody assize at Haverfordwest, in Wales; several prisoners were tried for forging and uttering, and thirteen were convicted; chiefly on the evidence of Mr. Christmas, a Bank Inspector, who swore positively, in one case, that the document named in the indictment "was not an impression from a Bank of England plate; was not printed on the paper with the ink or watermark of the Bank; neither was it in the handwriting of the signing clerk." Upon this testimony the prisoner, together with twelve participators in similar crimes, was condemned to be hanged!

The morning after the trial, Mr. Christmas was leaving his lodging, when an acquaintance stepped up and asked him, as a friend, to give his opinion on a note he had that morning received. It was a bright day; Mr. Christmas put on his spectacles, and carefully scrutinized the document in a business-like and leisurely manner. He pronounced it to be forged. The gentleman, a little chagrined, brought it away with him to town. It is not a little singular that he happened to know Mr. Burnett, of Portsmouth, whom he accidentally met, and to whom he showed the note. Mr. Burnett was evidently a capital judge of Bank paper. He said nothing, but slipping his hand into one pocket, handed to the astonished gentleman full change, and put the note into another. "It cannot be a good note," exclaimed the latter, "for my friend Christmas told me at Haverfordwest that it is a forgery!" But as Mr. Burnett had backed his opinion to the amount of twenty shillings he declined to retract it; and lost no time in writing to Mr. Henry Hase (Abraham Newland's successor) to test its accuracy.

It was lucky that he did so; for this little circumstance saved thirteen lives!

Mr. Christmas's co-inspectors at the Bank of England actually reversed his non-official judgment that the note was a forgery. It was officially pronounced to be a good note; yet upon the evidence of Mr. Christmas as regards other notes, the thirteen human beings at Haverfordwest were trembling at the foot of the gallows. It was p omptly and cogently argued, that, as Mr. Christmas's judgment had failed him in

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the deliberate examination of one note, it might also err as to others, and the convicts were respited.

The converse of this sort of mistake often happened. Bad notes were pronounced to be genuine by the Bank. Early in January, 1818, a well-dressed woman entered the shop of Mr. James Hammond, of 40 Bishopsgate Street Without, and having purchased three pounds' worth of goods, tendered in payment a ten-pound note. There was something hesitating and odd in her manner; and, although Mr. Hammond could see nothing the matter with the note, yet he was ungallant enough to suspect — from the uncomfortable demeanour of his customer — that all was not right. He hoped she was not in a hurry, for he had no change; he must send to a neighbour for it. He immediately dispatched his shopman to the most affluent of all his neighbours, — to her of Threadneedle Street. The delay occasioned the lady to remark, "I suppose he is gone to the Bank?" Mr. Hammond, having answered in the affirmative, engaged his customer in conversation, and they freely discussed the current topics of the day; till the young man returned with ten one-pound Bank of England notes. Mr. Hammond felt a little remorse at having suspected his patroness; who departed with the purchases with the utmost despatch. She had not been gone half an hour before two gentlemen rushed into the shop in a state of grievous chagrin; one was the Bank clerk who had changed the note. He begged Mr. Hammond would be good enough to give him another for it. "Why?" asked the puzzled shopkeeper. "Why, Sir," replied the distressed clerk, "it is forged!" Of course his request was not complied with. The clerk declared that his dismissal was highly probable; but Mr. Hammond was inexorable.

The arguments in favor of death punishments never fail so signally as when brought to the test of the scaffold and its effect on Bank forgeries. When these were most numerous, although from twenty to thirty persons were put to death in one year, the gallows was never deprived of an equal share of prey during the next. As long as simulated notes could be passed with ease, and detected with difficulty, the Old Bailey had no terrors for clever engravers and dexterous imitators of the hieroglyphic autographs of the Bank of England signers.

At length public alarm at the prevalence of forgeries, and the difficulty of knowing them as such, arose to the height of demanding some sort of relief. In 1819 a committee was appointed by the government to inquire into the best means of prevention. One hundred and eighty projects were submitted. They mostly consisted of intricate designs, such as rendered great expense necessary to imitate. But none were adopted, for the obvious reason that ever so indifferent and easily executed imitation of an elaborate note is quite sufficient to deceive an uneducated eye; as had been abundantly proved in the instance of the Irish "black note." The Bank had not been indifferent or idle on the subject, for it had spent some hundred thousand pounds in projects for inimitable notes. At last — not long before the commission was appointed — they were on the eve of adopting an ingenious and costly mechanism for printing a note so precisely alike on both sides as to appear as one im-

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pression, when one of the Bank printers imitated it exactly by the simple contrivance of two plates and a hinge. This may serve as a sample of the other one hundred and seventy-nine projects.

Neither the gallows, nor expensive and elaborate works of art, having been found effectual in preventing forgery, the true expedient for at least lessening the crime was adopted in 1821: — the issue of small notes was wholly discontinued, and sovereigns were brought into circulation. The forger's trade was nearly annihilated. Criminal returns inform us that, during the nine years after the resumption of gold currency, the number of convictions for offences having reference to the Bank of England notes were less than one hundred, and the executions only eight. This clinches the argument against the efficacy of the gallows. In 1830, death punishments were repealed for all minor offences, and although the cases of Bank-note forgeries slightly increased for a time, yet there is no reason to suppose that they are greater now than they were between 1821 and 1830.

At present, Bank-paper forgeries are not numerous. One of the latest was that of the twenty-pound note, of which about sixty specimens found their way into the Bank. It was well executed in Belgium by foreigners, and the impressions were passed among the change-agents in various towns in France and the Netherlands. The speculation did not succeed; for the notes got into, and were detected at, the Bank, a little too soon to profit the schemers much.

The most considerable frauds now perpetrated are not forgeries; but are done upon the plan of the highwayman mentioned in our first chapter. In order to give currency to stolen or lost notes which have been stopped at the Bank (lists of which are supplied to every banker in the country), the numbers and dates are fraudulently altered. Some years since, a gentleman who had been receiving a large sum of money at the Bank, was robbed of it in an omnibus. The notes gradually came in, but all were altered. The last was one for five hundred pounds, dated the 12th of March, 1846, and numbered 32,109. On the Monday (3d June) after the last "Derby Day," amid the *twenty-five thousand pieces* of paper that were examined by the Bank Inspectors, there was one note for five hundred pounds, dated 12th of March, 1848, and numbered 32,409. At that note an inspector suddenly arrested his rapid examination of the pile of which it was one. He scrutinized it for a minute, and pronounced it "altered." On the next day, that same note, with a perfect one for five hundred pounds, is shown to us with an intimation of the fact. We look at every letter; we trace every line; follow every flourish: we hold both up to the light; we undulate our visuals with the waves of the water-mark. We confess that we cannot pronounce decisively; but we have an opinion derived from a slight "goutiness" in the fine stroke of the figure 4 that No. 32,409 is the forgery! So indeed it was. Yet the Bank Inspector had picked it out from the hundred genuine notes as instantaneously, pounced upon it as rapidly, as if it had been printed with green ink upon card-board.

This, then, O gentlemen forgers and sporting note alterers, is the kind of odds which is against you. A minute investigation of the note assured

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us of your exceeding skill and ingenuity; but it also convinced us of the superiority of the detective ordeal which you have to blind and to pass. In this instance you had followed the highwayman's plan, and had put with great cunning the additional marks to the 1 in 32,109 to make it into a 4. To hide the scraping out of the top or serif of the figure 1 — to make the angle from which to draw the fine line of the 4 — you had artfully inserted with a pen the figures "£16 16" as if that sum had been received from a person bearing a name that you had written above. You had with extraordinary neatness cut out the "6" from 1846, and filled up the hole with an 8 abstracted from some note of lesser value. You had fitted it with remarkable precision; only you had not got the 8 quite upright enough to pass the shrewd glance of the Bank Inspector.

We have seen a one-pound note made up of refuse pieces of a hundred other Bank-notes, and pasted on a piece of paper (like a note that had been accidentally torn), so as to present an entire and *passable* whole.

To alter with a pen a 1 into a 4 is an easy task, — to cut out the numeral from the *date* in one note and insert it into another, needs only a tyro in paper-cutting; but to change the special *number* by which each note is distinguished, is a feat only second in impossibility to trumping every court-card of every suit six times running in a rubber of whist. Yet we have seen a note so cleverly altered by this expedient, that it was actually paid by the Bank cashiers. If the reader will take a Bank-note out of his purse, and examine its "number," he will at once appreciate the combination of chances required to find, on any other note, any other figure that shall displace any one of the numerals so as to avoid detection. The "number" of every Bank-note is printed twice on one line, — first, on the words "I promise," secondly, on the words, "or bearer." Sometimes the figures cover the whole of those words; sometimes they only partly obscure them. No. 99,066 now lies before us. Suppose we wished to substitute the "0" of another note for the first "9" of the one now under our eye; we see that the "9" covers a little bit of the "P," and intersects in three places the "r," in "Promise." Now, to give this alteration the smallest chance, we must look through hundreds of other notes till we find an "0" which not only covers a part of the "P" and intersects the "r" in three places, but in precisely *the same* places as the "9" on our note does; else the strokes of those letters would not meet when the "0" was let in, and instant detection would ensue. But even then the job would only be half done. The second initial "9" stands upon the "or" in "or bearer," and we should have to investigate several hundred more notes, to find an "0" that intersected that little word exactly in the same manner, and then let it in with such mathematical nicety, that not the hundredth part of a hair's breadth of the transferred paper should fail to range with the rest of the letters and figures on the altered note; to say nothing of hiding the joins in the paper. This is the triumph of ambidexterity; it is a species of patchwork far beyond the most sublime achievements of "Old Patch" himself.

Time has proved that the steady perseverance of the Bank — despite

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the most furious clamor — in gradually improving their original note and thus preserving those most essential qualities, simplicity and uniformity, has been a better preventive of forgery than any one of the hundreds of plans, pictures, complications, chemicals, and colors, which have been forced upon the Directors' notice. Whole-note forgery is nearly extinct. The lives of eminent forgers need only wait for a single addendum; for only one man is left who can claim superiority over Mathieson, and he was, unfortunately for the Bank of England, born a little too late to trip up his heels, or those of the late Mr. Charles Price. He can do every thing with a note that the patchers, and alterers, and simulators, can do, and a great deal more. Flimsy as a Bank-note is, to a proverb, he can split it into three perfect continuous, flat, and even leaves. He has forged more than one design sent into the Bank as an infallible preventive to forgery. You may, if you like, lend him a hundred-pound note: he will undertake to discharge every trace of ink from it, and return it to you perfectly uninjured and a perfect blank. We are not quite sure, if you were to burn a Bank-note and hand him the black cinders, that he would not bleach it, and join it, and conjure it back again into a very good-looking, payable piece of currency. But we *are* sure of the truth of the following story, which we have from our friend the transcendent forger referred to; and who is no other than the chief of the engraving and engineering department of the Bank of England: —

Some years ago — in the days of the thirty-shilling notes — a certain Irishman saved up the sum of eighty-seven pounds ten, in notes of the Bank of Ireland. As a sure means of securing this valuable property, he put it in the foot of an old stocking, and buried it in his garden, where Bank-note paper could n't fail to keep dry, and to come out, when wanted, in the best preservation.

After leaving his treasure in this excellent place of deposit for some months, it occurred to the depositor to take a look at it, and see how it was getting on. He found the stocking-foot apparently full of the fragments of mildewed and broken mushrooms. No other shadow of a shade of eighty-seven pounds ten.

In the midst of his despair, the man had the sense not to disturb the ashes of his property. He took the stocking-foot in his hand, posted off to the Bank in Dublin, entered it one morning as soon as it was opened, and, staring at the clerk with a most extraordinary absence of all expression in his face, said, —

"Ah, look at that, Sir! Can ye do any thing for me?"

"What do you call this?" said the clerk.

"Eighty-sivin pound ten, praise the Lord, as I 'm a sinner! Ohone! There was a twenty as was paid to me by Mr. Phalim O'Dowd, Sir, and a ten as was changed by Pat Reilly, and a five as was owen by Tim; and Ted Connor, ses he to ould Phillips —"

"Well! Never mind old Phillips. You have done it, my friend!"

"O Lord, Sir, and it 's done it I have, most com-plate! O, good luck to you, Sir, can you do nothing for me?"

"I don't know what 's to be done with such a mess as this. Tell me, first of all, what you put in the stocking, you unfortunate blunderer?"

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"O, yes, Sir, and tell you true as if it was the last word I had to spake entirely, and the Lord be good to you, and Ted Connor ses he to ould Phillips, regarden the five as was owen by Tim, and not includen of the ten which was changed by Pat Reilly —"

"You did n't put Pat Reilly or ould Phillips into the stocking, did you?"

"Is it Pat or ould Phillips as was ever the valy of eighty-sivin pound ten, lost and gone, and includen the five as was owen by Tim and Ted Connor —"

"Then tell me what you *did* put in the stocking, and let me take it down. And then hold your tongue, if you can, and go your way, and come back to-morrow."

The particulars of the notes were taken, without any reference to ould Phillips: who could not, however, by any means be kept out of the story; and the man departed.

When he was gone, the stocking-foot was shown to the then chief engraver of the notes, who said that if any body could settle the business, his son could. And he proposed that the particulars of the notes should not be communicated to his son, who was then employed in his department of the Bank, but should be put away under lock and key; and that if his son's ingenuity should enable him to discover from these ashes what notes had really been put in the stocking, and the two lists should tally, the man should be paid the lost amount. To this prudent proposal the Bank of Ireland readily assented; being extremely anxious that the man should not be a loser; but, of course, deeming it essential to be protected from imposition.

The son readily undertook the delicate commission proposed to him. He detached the fragments from the stocking with the utmost care, on the fine point of a penknife; laid the whole gently in a basin of warm water; and presently saw them, to his delight, begin to unfold and expand like flowers. By and by, he began to "teaze them" with very light touches of the ends of a camel's-hair pencil, and so, by little and little, and by the most delicate use of the warm water, the camel's-hair pencil, and the penknife, got the various morsels separate before him, and began to piece them together. The first piece laid down was faintly recognizable by a practised eye as a bit of the left-hand bottom corner of a twenty-pound note; then came a bit of a five; then of a ten; then more bits of a twenty; then more bits of a five and ten; then, another left-hand bottom corner of a twenty, — so there were two twenties! — and so on, until, to the admiration and astonishment of the whole Bank, he noted down the exact amount deposited in the stocking, and the exact notes of which it had been composed. Upon this — as he wished to see and divert himself with the man on his return — he provided himself with a bundle of corresponding new, clean, rustling notes, and awaited his arrival.

He came exactly as before, with the same blank, staring face, and the same inquiry, "Can you do any thing for me, Sir?"

"Well," said our friend, "I don't know. May be I *can* do something. But I have taken a great deal of pains, and lost a great deal of time, and I want to know what you mean to give me!"

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"Is it give, Sir? Thin is there any thing I would n't give for my eighty-sivin pound tin, Sir; and it 's murdered I am by ould Phillips."

"Never mind him; there were two twenties, were there not?"

"O holy Mother, Sir, there was! Two most illigant twenties! and Ted Conner — and Phalim — which Reilly —"

He faltered, and stopped as our friend, with much ostentatious rustling of the crisp paper, produced a new twenty, and then the other twenty, and then a ten, and then a five, and so forth. Meanwhile, the man, occasionally murmuring an exclamation of surprise, or a protestation of gratitude, but gradually becoming vague and remote in the latter as the notes reappeared, looked on, staring, evidently inclined to believe that they were the real lost notes, reproduced in that state by some chemical process. At last they were all told out, and in his pocket, and he still stood staring and muttering, "O holy Mother, only to think of it! Sir, it 's bound to you for ever that I am!" — but more vaguely and remotely now than ever.

"Well," said our friend, "what do you propose to give me for this?"

After staring and rubbing his chin for some time longer, he replied with the unexpected question, —

"Do you like bacon?"

"Very much," said our friend.

"Thin it 's a side as I 'll bring your honor to-morrow morning, and a bucket of new milk — and ould Phillips —"

"Come," said our friend, glancing at a notable shillelah the man had under his arm, "let me undeceive you. I don't want any thing of you, and I am very glad you have got your money back. But I suppose you 'd stand by me, now, if I wanted a boy to help me in any little skirmish?"

They were standing by a window on the top story of the Bank, commanding a court-yard, where a sentry was on duty. To our friend's amazement, the man dashed out of the room without speaking one word, suddenly appeared in the court-yard, performed a war-dance round this astonished soldier, — who was a modest young recruit, — made the shillelah flutter, like a wooden butterfly, round his musket, round his bayonet, round his head, round his body, round his arms, inside and outside his legs, advanced and retired, rattled it all round him like a firework, looked up at the window, cried out, with a high leap in the air, "Whoo-roo! Thry me!" — vanished, — and never was beheld at the Bank again from that time forth.

FORGERIES. — The punishment of death for forgery, in England, ceased by statute in 1832, except in cases of forging or altering wills or powers of attorney to transfer stock. These latter offences are now, by the act of 1837, punished by transportation. The Rev. Dr. Dodd was found guilty of forging a bond in the name of Lord Chesterfield, for £4,200, in 1777, and executed. Henry Fauntleroy, a London banker, was executed, November 30, 1824, for forgery. Joseph Hunton, a Quaker merchant, suffered death for the same offence, December 8, 1828. Mr. Ward, M. P., a man of prodigious wealth, was expelled from the House of Commons for forgery, May 16, 1726, and was consigned to the pillory in March, 1727. Forgery was first punished by death in 1634.

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THE LIABILITIES OF BANKS.

On the Law relating to Notice of Protest.

Bank of . . . . . Nov. 18, 1850.

To the Editor of the Bankers' Magazine.

Sir, — After reading the article in your November number "*On the Liability of Banks*," another form of liability has presented itself to me. I will suppose a case. A merchant in the city of Boston deposits for collection, in a Boston bank, a note payable in Philadelphia, which is indorsed by E. & F., a firm doing business and residing in the city of New York. The cashier of the Boston bank receives the note, does not inquire of the depositor where E. & F. reside, but forwards it with open indorsement to his correspondent in Philadelphia for collection and payment; the note falls due and is unpaid, and delivered to a notary for protest. The notary is unacquainted with E. & F.'s residence, and cannot ascertain it. After making diligent inquiry he forwards his notice of the protest *for them* to the cashier of the Boston bank. On the day of its reception by the cashier, he learns after inquiry that they reside in New York, and sends the notice to them by return mail. It is a clearly settled point in law that parties residing out of the boundaries of the city or town shall be notified by first mail after the note or bill matures. Now, E. & F. not having been so notified, their notice having travelled through their place of residence to Boston and back again, making a delay of certainly two days, they are legally discharged from their liability. Who is to be the sufferer in the event of a failure to collect of the drawer, and was it the duty of the merchant when he deposited the note for collection to have stated the residence of E. & F. on the note, or was it the duty of the cashier to have required it before receiving it? Cashiers are too often remiss in matters of this kind. I think it is their duty to require it, and to decline all foreign paper for collection or otherwise, unless the residences of the parties are stated under the names, and in the foregoing supposed case I am of the opinion that the bank in Boston should be the sufferer, and accountable to the owner for their neglect of duty.

K——, Cashier.

Remarks.

This assumed case does not seem to present any difficulties. Such cases will no doubt occasionally arise in the collection of paper, wherein three several parties reside in three several cities. We would say, in the case stated, that the notary at Philadelphia, having made due inquiry as to the residence of the indorser, without success, is bound to transmit all the notices under cover to the bank, or holder, at Boston. The latter in due course of mail would transmit a notice to the New York party, if knowing his residence there; but if not informed as to such residence, the bank will deliver such notice, together with another, to the party from whom the paper was received. The latter will then forward a notice per first mail to the New York indorser, whose residence must be known to the party depositing the paper for collection.

It is a matter of daily occurrence, in the collection of paper between the banks of two different cities, to send all the notices of protest on any one piece of paper to the correspondent cashier from whom it has been re-

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ceived, — there being, ordinarily, no means of ascertaining the residences of antecedent indorsers. Thus, paper drawn in Philadelphia for New York account will sometimes find its way to Providence, Hartford, &c., and thence to Boston, where it is finally negotiated. The collecting bank at Philadelphia cannot ordinarily be informed of the several residences of all these parties, and the notary will perform his duty in such cases, in mailing all the notices to the address of the Boston bank.

That this is the only course for him to adopt may be seen from the following rules, laid down in Story on the Law of Promissory Notes : —

"So, if the holder, or any other party, give no notice but to the person who is his immediate indorser on the note ; yet, if notice be communicated by the latter, without laches, to the prior parties, the holder may avail himself of such communication of notice, and sue any such prior parties." § 302.

"The general rule, now firmly established, is, that each successive indorser, who receives notice of the dishonor, is entitled to the whole day on which he receives the notice, and need not give any notice to the antecedent indorsers until the next day after receiving the notice, even when they live in the same town or city with him ; and, if they live in different towns and cities, and he is to give notice by the post, it will be sufficient if he sends the notice by the post of the next day after he has received notice of the dishonor. Thus, for example, if there are five indorsers, the holder himself, if he means to give notice to all of them, must give it by the post of the next day ; and each of these indorsers in succession is entitled to the whole of the day on which he receives notice of the dishonor, and until the post of the next day, or the next post thereafter, to give the like notice to the antecedent indorsers. So that, if the fifth indorser receives notice on Monday, it is sufficient for him to give notice to the fourth indorser and the preceding indorsers on Tuesday ; and for the fourth indorser, if he receives the notice on Wednesday, to give notice to the third indorser and the preceding indorsers on Thursday ; and, if the third indorser receives the notice on Friday, it is sufficient for him to give notice to the second indorser and the preceding indorser on Saturday ; and if the second indorser gets the notice on Sunday, or Monday, it will be sufficient for him to give notice to the first indorser on Tuesday following. In this way a week or more may elapse between the first and the last notice ; and yet there will be no laches." § 331.

"Hence, the holder may, in the case above stated of five indorsements, avail himself of the notice given by each of the successive antecedent indorsers to the other antecedent indorsers, although he may not have himself given any notice, except to the fifth or last indorser." § 334.

"Where a notice is sent, after the exercise of due diligence, a right of action accrues to the holder, and subsequent information as to the true residence of the indorser does not render it necessary for the holder to send him another notice." — *Opinion of the Supreme Court, U. S. See Bankers' Magazine, December*, 1850.

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THE COST AND PRODUCTION OF THE PRECIOUS METALS. WITH OTHER TOPICS.

The Cost of Precious Metals. — Cost of Production. — Uses of Gold. — Annual Consumption of Gold and Silver. — Standard of the Currency. — Prices of Labor. — Suspension of Cash Payments in 1796. — Plausibility of Popular Errors. — Bank Circulation. — The Usury Laws. — Domestic Exchange. — Public Men. — Obedience to the Laws. — National Self-Government. — Popular Leaders. — Popular Feeling. — Unwritten History.

From the Edinburgh Review.

Cost of Precious Metals. — No one will maintain that gold and silver differ from the other metals, except in their greater scarcity and durability; or that their attributes are changed the instant they are divided into portions of a given weight and authenticated by a stamp. But if we were asked, Why does one ton of copper generally exchange for five of lead? we should immediately answer, For the same reason which causes one bushel of wheat generally to exchange for two bushels of barley; namely, that it costs as much in wages and profits, or, to use another nomenclature, in labor and abstinence, to produce one ton of copper as five tons of lead, and one bushel of wheat as two bushels of barley.

There is probably more than fifty times as much gold in use in Europe as there is platina; but yet gold is five times as valuable as platina. There is about forty-seven times as much silver as there is gold; but gold is not quite sixteen times as valuable as silver. Again, it is probable that silver changes hands ten times as often as gold; but no one seriously supposes that this cause affects the comparative value of the two metals. Cost of production, the cause which decides the value of any other commodity not the subject of a monopoly, must decide the value of the precious metals.

We will suppose an insulated society of ten thousand families, having an abundance of fertile land, and using manufactures so rude, that the trifling capital employed by them may be disregarded, and so equal in fortune and rank, that the relations of landlord and tenant, and capitalist and workman, shall not exist. We will suppose gold alone to be their money, and that it is obtained by washing alluvial deposits without any expensive machinery or skill, and always in the same ratio to the labor employed.

The cost of producing gold would, under these circumstances, always remain the same; and its value in labor, or, in other words, the amount of labor which a certain quantity of it could purchase, would always correspond with its cost of production; except for short intervals, when any sudden increase or diminution in the demand for it should occasion the existing supply to be for a time relatively excessive or deficient. Under such circumstances, the value of all other things would be estimated by comparing their cost of production with that of gold. If the labor of a family employed for a year could gather from the washing-places fifty ounces of gold, and, by equal exertion, gather from the

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spontaneous produce of the fields fifty quarters of rice, the rice and the gold would be of equal value, and a single quarter of rice would be worth an ounce of gold. If the same labor could produce, in the same time, one hundred ounces of gold instead of fifty, a quarter of rice would be worth two ounces instead of one; or if the same labor could gather one hundred quarters of rice instead of fifty, a quarter of rice would be worth only half an ounce instead of a whole ounce; but while a year's labor could produce just fifty ounces of gold, the yearly income of each family, however employed, supposing their diligence, strength, and skill equal, would be of the value of precisely fifty ounces of gold.

The quantity of gold produced would depend partly on the quantity wanted for plate, — including, under that word, all use of gold except as money, — and partly on the quantity wanted for money. The quantity wanted for plate would of course depend on the prevailing fashions of the country; the quantity wanted for money would depend on causes numerous and complicated. We shall explain them at some length, as the question, — What are the causes which determine the quantity of money which a community shall possess? — is important, and by no means easy of solution.

It is obvious, in the first place, that the whole quantity of money in a community must consist of the aggregate of all the different sums possessed by the different individuals by whom it is constituted. And what this quantity shall be, must depend partly on the number of those individuals; partly on the value in money of the aggregate of their respective incomes; and partly on the average proportion of the value of his income which each individual habitually keeps by him in money. The two first of these causes do not require much explanation. It is clear that, *cæteris paribus*, two millions of people must possess more money than one million. It is also clear that, *cæteris paribus*, a nation, the value of whose average aggregate income amounts to £ 100,000,000 sterling a year, must possess more money than one whose annual income is only £ 50,000,000.

Uses of Gold. — The primary cause of the utility of gold is, of course, its use as the material of plate. The secondary cause is its use as money. And in the absence of any disturbing cause, the labor employed in producing gold would be just enough to supply the annual loss and wear of the existing stock of plate and money. Suppose, now, that a change of fashion were to occasion a sudden demand for an increased quantity of plate, — the introduction, for instance, of the Roman Catholic forms of worship, and a belief in the meritoriousness of adorning every altar with golden candlesticks, — that demand would be supplied partly by melting and converting into candlesticks some of the existing plate and some of the existing money, and partly by employing on plate all the current supply of gold, a part of which would otherwise have been used as money. The whole quantity of money being diminished, the average quantity possessed by each family must be diminished. A less portion would be offered on every purchase; all prices (except that of plate) would fall; and the moneyed incomes of all persons except the gatherers of gold would be diminished. This, of course, would

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occasion much more labor to be employed in gathering gold until the former amount of money were replaced.

If, after this had taken place, the use of plate should suddenly diminish, — if, for instance, Protestant forms of worship should supplant the Roman Catholic, — the consequences would be, of course, precisely opposite. The candlesticks would be melted down, and the sudden supply of gold would sink its value. Part of that additional supply would probably be used as plate, of which each family could afford to use a little more, — the rest would be turned into money. The whole quantity of money being increased, each family would have rather more; rather more would be offered on every exchange; all prices (except the price of plate) would rise, and the money incomes of all persons except the gatherers of gold would be increased. The gathering of gold would, of course, cease; until the gradual loss and wear of plate and money, uncompensated by any annual supply, should have reduced the quantity of gold below the amount necessary to supply the existing demand for plate and money. On the occurrence of that event, it would again become profitable to gather gold; and the price of every thing would again depend on the proportion of the labor necessary to its production, compared with the labor necessary to obtain a given quantity of gold. Similar and equally temporary consequences would, of course, follow any causes which should increase or diminish the demand for gold, by diminishing or increasing either the use of money in exchange, or the rapidity of its circulation.

Annual Consumption. — We have no official data showing the annual supply required by the British Islands. Mr. Jacob, in 1831, estimated the annual consumption of the precious metals in Great Britain, for all purposes except money, at £ 2,457,221 sterling. This estimate is treated by Mr. M'Culloch as excessive. But when we consider that Ireland is excluded, and that, during the twelve years that have since elapsed, the population of the British Islands has augmented by more than three millions, and our exports have risen from thirty-seven millions to fifty-one millions, it probably rather falls below than exceeds the present consumption in Great Britain and Ireland. If we add to this about £ 200,000 as the annual waste by loss and wear of money, the annual consumption of the British Islands may be taken at £ 2,700,000.

From whence do France and the British Islands obtain their supplies? From the whole commercial world. The annual export of British and Irish produce and manufactures, exceeds in value fifty millions sterling. The annual export from France of French produce and manufactures, exceeds in value thirty millions sterling. There is no portion of this great export of which the exporter, if he thought fit, might not receive the price in gold or silver. In fact, he almost always does receive it in gold or silver. There is much inaccuracy in the common statement, that the commerce between two countries, when the values which they reciprocally give and receive are equal, resolves itself into barter.

Standard. — Without doubt it is in the power of a nation, not by commercial, but by monetary regulations, to increase or diminish the

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amount of its metallic money. If we were to make silver instead of gold the British standard, we might reverse the existing proportions of the British currency. From thirty millions of gold and ten of silver, we might constitute it of thirty millions of silver and ten of gold. By issuing unconvertible government notes to effect all the larger payments, and copper coins for all the smaller ones, and rendering the use of gold and silver money penal, we might banish both metals from our circulation. Or, by prohibiting the issue of notes and copper coinage, or by internal commotions restrictive of credit, and consequently of the banking operations which depend on credit, we might render our currency exclusively metallic; and require eighty millions of metallic money instead of forty. But those measures would affect the value of the precious metals only so far as they affect the cost of obtaining them. Whether our currency consisted of thirty millions, or ten millions, or sixty millions of sovereigns, the value in Great Britain of each sovereign would always depend on the amount of British labor necessary to obtain one.

France, with a population of thirty-four millions, is supposed to possess a currency of more than one hundred and twenty millions sterling. The British Islands, with a population of twenty-eight millions, possess a currency of only forty millions. There is much less division of labor in France than in England; and consequently there are much fewer exchanges in proportion to the population. The general scale of prices is much lower, and consequently each exchange, in which money is employed, can be effected with less money. But the effects of the causes which tend to diminish the quantity of the precious metals in France, are more than counterbalanced by those which tend to increase it. In the first place, the general want of credit occasions the use of money in exchanges, in a proportion, perhaps, ten times as great as in England; and secondly, money is exclusively employed in France as a safe, though unproductive investment. The French peasant accumulates specie until he can buy a patch of land, — the only investment which, from the tradition of centuries, he believes to be secure. The English laborer either expends all that he earns, or lends his savings to the government, through a savings' bank, or to a neighbour, or employs them in some retail trade. Perhaps half the money of France does not change hands once in ten years. In England there is scarcely a hoard, except the specie in the vaults of the bank. But though France has nearly three times as much money in proportion to her population as England, gold and silver are more than one third dearer in France than in England. It costs a Frenchman more labor to obtain two ounces of silver, than it costs an Englishman to obtain three. If France could rely on internal and external tranquillity, — if mutual confidence and commercial habits could be established among her people, — if every town had its bank of deposits and circulation, and every village its savings' bank, — sixty millions might perform all the operations for which one hundred and twenty are required. The remaining sixty millions might be exported, and send back the materials, and implements of agriculture, and manufactures, in which France is now so lamentably deficient. The distribution of the precious metals, to use Colonel Torrens's expression, would be altered;

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but would France be a sufferer by the change? Would rents or wages fall? Would it cost more labor to obtain an ounce of silver than it does now?

Prices of Labor. — Every thing which can be produced at will, is subject to two different costs of production; the one the *minimum*, below which price cannot permanently fall; the other the *maximum*, beyond which price cannot permanently rise. The first, which may be called the cost of production to the producer, or seller, consists of the sum of the sacrifices which must be made, or, in other words, the sum of the wages and profits which must be paid or retained by the producer, in order to enable or induce him to continue to produce; — including, of course, the wages of his own labor, and the profit of his own capital. The second, which may be called the cost of production to the consumer, or purchaser, consists of the sum of the sacrifices which must be made by the consumer, if, instead of purchasing, he produce for himself. The amount of the interval between these two extremes is one of the measures of the advantages derived from the division of labor. A good shoemaker can make a pair of shoes in a day; he could not make a coat in a fortnight. A good tailor can make three coats in a week; he could not make a pair of shoes in a month. So far as the price of a commodity is not affected by any natural or artificial monopoly, it coincides with the cost of production to the producer. Were it lower, he would cease to produce. Were it higher, his employment would afford more than average wages or profits; and rival producers would crowd into it, and undersell one another.

Cash Payments. — The suspension of cash payments, by Order in Council, was, however, an event of such startling novelty and magnitude, as to have been calculated to awake the attention of a mind even less observant and active than Horner's. We happen to be in possession of some curious particulars connected with "that wonderful event," as it was well called by Mr. Fox in the debate on the 28th of February, 1796; affecting, as it did, not only the finances and commerce of England, but bearing upon the whole combination of European policy, and of which event the consequences are still experienced. The facts which we are about to relate were communicated to us by one of the parties to the transaction; and, as we are not aware that they have ever been accurately given to the public, we do not think that they can be more fitly recorded than in this notice of the life of that statesman whose name is identified with the great work of the restoration of our currency. We shall not stop to examine the causes which led to the difficulties of the bank; at present we deal with events only. On Saturday, the 25th of February, 1797, the late Mr. Samuel Thornton, Deputy-Governor of the Bank of England, waited on Mr. Pitt, to explain to him the imminent dangers to which that corporation was exposed. Mr. Pitt appointed to receive him at dinner that very day, for the purpose of examining into the facts, and of determining upon the line to be adopted. At that dinner there were present but three persons, — the Chancellor of the Exchequer, the Deputy-Governor of the Bank of England, and Mr. Steele,

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then Secretary to the Treasury. The presence of the latter was soon dispensed with, and the authorities of the Treasury and Threadneedle Street were left to discuss confidentially the most important proposition that had been mooted between those "high contracting powers." Mr. Thornton demonstrated to the minister, that it was utterly hopeless for the bank to continue its specie payments; and that, early on the following Monday, it was necessary that some decisive resolution should be formed and acted on. The interview was long. Mr. Pitt examined into the case with the deepest anxiety and minuteness. In dismissing Mr. Thornton, he directed him to attend a meeting of the Council to be held the following morning, on Sunday. Mr. Thornton was in waiting even before the arrival of Mr. Pitt. Having sent in his name to the Council, he was asked by some of the official persons present what was the object of his attendance, — an object which did not appear to have been communicated to them. He replied, that he attended by the command of Mr. Pitt, and on behalf of the Bank of England. On the arrival of Mr. Pitt, Mr. Thornton was called in and examined; he explained the state of the bank, and the imminent peril to which it was exposed of an immediate stoppage. The persons present were, the Chancellor (Lord Loughborough), the Duke of Portland, Marquis Cornwallis, Earl Spencer, Earl of Liverpool, Earl of Chatham, and Mr. Pitt. The latter shortly, but conclusively, stated his reasons for the instant adoption of an Order of Council directing the suspension of cash payments by the Bank of England. The Lord Chancellor expressed the strongest objection to such an act, as being wholly contrary to law. The reply of Mr. Pitt was conclusive: — "My Lords, it must be done, the public safety requires it; and I lay before your Lordships a minute, directing the proper steps to be taken. To that minute I affix my own name, and I assume the whole responsibility of the proceeding." The minute was adopted, as might have been expected, from the authority, almost supreme, conceded to Mr. Pitt by his colleagues as well as by Parliament. The Order of Council was issued; it was communicated to the Bank of England; it was dispersed throughout the metropolis at the earliest hour on Monday morning. We are aware that this statement does not altogether agree with the declarations made on the occasion, as well as subsequently; but our information came from the lips of one of the parties to the whole transaction, from its commencement to its close, — a man who would not deceive, and who could not be mistaken.

Popular Errors. — One of the great obstacles to the progress of the moral sciences is the tendency of doctrines, supposed to have been refuted, to reappear. In the pure and in the physical sciences, each generation inherits the conquests made by its predecessors. No mathematician has to redemonstrate the problems of Euclid; no physiologist has to sustain a controversy as to the circulation of the blood; no astronomer is met by a denial of the principle of gravitation. But in the moral sciences the ground seems never to be incontestably won; and this is peculiarly the case with respect to the sciences which are subsidiary to the arts of administration and legislation. Opinions prevail and are acted on. The evils which appear to result from their practical applica-

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tion lead to inquiry. Their erroneousness is proved by philosophers, is acknowledged by the educated public, and at length is admitted even by statesmen. The policy founded on the refuted error is relaxed, and the evils which it inflicted, so far as they are capable of remedy, are removed or mitigated. After a time new theorists arise, who are seduced or impelled by some moral or intellectual defect or error to reassert the exploded doctrine. They have become entangled by some logical fallacy, or deceived by some inaccurate or incomplete assumption of facts, or think that they see the means of acquiring reputation, or of promoting their interests, or of gratifying their political or their private resentments, by attacking the altered policy. All popular errors are plausible; indeed, if they were not so they would not be popular. The plausibility to which the revived doctrine owed its original currency, makes it acceptable to those to whom the subject is new; and even among those to whom it is familiar, probably ninety-nine out of every hundred are accustomed to take their opinions on such matters on trust. They hear with surprise that what they supposed to be settled is questioned, and often avoid the trouble of inquiring, by endeavouring to believe that the truth is not to be ascertained. And thus the cause has again to be pleaded before judges, some of whom are prejudiced, and others will not readily attend to reasoning founded on premises which they think unsusceptible of proof.

Bank Circulation. — Not one of them, whether having five or five hundred partners, ought to be allowed to issue notes, except upon security. We could point out certain joint-stock banks lately established in different parts of England, that have no sufficient capital with which to carry on their business; and whose proceedings will, most probably, be injurious alike to the public and to their proprietors. The latter may, indeed, take such risks as they fancy; but it is the imperative duty of government to provide for the undoubted solidity of all the issuers of paper money; and this can only be effectually done by suppressing all notes not issued on security. This regulation, combined with the system of publicity we have already ventured to propose, would go far to perfect the system of country banking. — *Vol. LVI.*, 1843.

The Usury Laws. — It is to be hoped, indeed, that these laws, the injurious operation of which has been shown over and over again, will not be longer permitted to disgrace the statute-book. But though we should resolve to support this offensive remnant of bygone ignorance, we may interfere so far with the universality of the system, as to grant our exemption in favor of the Bank of England. We think that the bank might on many occasions advantageously increase her discounts of mercantile paper; but if the exchange should happen to fall when she had discounted largely, it would be necessary for her to limit her discounts; and this ought, in all cases, to be done by raising the rate of interest. . . . . Were the bank allowed to raise the rate of interest, the pressure in such periods would equally affect all who dealt with her, and the more opulent, or those who could most easily obtain loans elsewhere, would be the first to withdraw. It is plain, therefore, that the exemption of the

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bank from the usury laws would be a material improvement; and we cannot imagine any objection to its adoption. — *Vol. LVI.*, 1843.

Domestic Exchange. — We agree with Mr. Huskisson, that the case of an internal drain for coin is totally different from that of a foreign demand; or, in other words, an unfavorable foreign exchange. And as the two cases differ, so also should the remedies. A foreign demand for gold, and an unfavorable exchange, will be remedied appropriately by a diminution of the quantity of money in circulation. An internal drain may arise from political alarm, from commercial discredit, or from the necessity of realizing securities in order to meet pecuniary engagements. Now, in this case, unlike the former, a diminution of the circulating medium will tend to increase the evil, instead of checking it. — *Ibid.*, *Vol. LXXX.*, *October*, 1850.

Public Men. — All history has shown that real freedom can only be maintained where genuine patriotism pervades the nation, — and the very essence of patriotism is an unselfish, though a partial, love of justice. Amid a people wanting in real public spirit, the representative system must soon degenerate into a deceptive form, and may then become one of the most fearful phases and instruments of misrule. The secret history of the Irish Parliament and of the French Chambers proclaims this lesson with alarming vividness. The very safety of a nation, as well as its interest and its honor, depends upon having just men carried to the head of affairs, and maintained there; but where, — when the population has been made a prey to ignorant, greedy, tenacious self-seeking, — where is to be found the sense or the principle, either to choose such, or to tolerate their rule when chosen? A government selected from and by the people can only reflect the qualities of that people; if the mass of the nation be wise, just, and true, the rulers will be not only the embodiment, but the *élite*, the filtered essence, of that wisdom, that justice, that truth; if the mass be corrupted, grasping, and regardless of the rights of others, the concentration and aggravation of all these disqualifying elements is certain to be found, sooner or later, in the high places of the State.

It is of the last moment that all who are, or are likely to be, called to administer the affairs of a free State, should be deeply imbued with the statesmanlike virtues of modesty and caution, and should act under a profound sense of their personal responsibility. It is an awful thing to undertake the government of a great country; and no man can be any way worthy of that high calling who does not from his inmost soul feel it to be so. When we reflect upon the fearful consequences, both to the lives, the material interests, and the moral well-being of thousands, which may ensue from a hasty word, an erroneous judgment, a temporary carelessness or lapse of diligence: when we remember that every action of a statesman is pregnant with results which may last for generations after he is gathered to his fathers; that his decisions may, and probably must, affect for good or ill the destinies of future times; that peace or war, crime or virtue, prosperity or adversity, the honor or dishonor of his country, the right or wrong, wise or unwise solution of some of the

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mightiest problems in the progress of humanity, depend upon the course he may pursue at those critical moments which to ordinary men occur but rarely, but which crowd the daily life of a statesman; the marvel is that men should be forthcoming bold enough to venture on such a task.

Obedience to the Laws. — The second national requisite for the successful working of self-government is an habitual respect for established law. Before a people can be trusted either to make the laws or to enforce them, they must have learned the first great lesson of yielding them a cheerful and reverential obedience. Without the wide diffusion of this virtue through all ranks, the law can have no permanence, the administrators of the law no authority. Without this, what hold could judges and officers have over the people, by whom they were appointed, by whom they were removable, and from the will of whom they derived their mission to control that will? Where the great majority of the nation venerate and uphold the law, the judge and the sheriff act against the malefactors and the turbulent with the whole power of the community; where it is otherwise, their task is the hopeless one of casting out Satan by Satan's agency. Conceive the consequences in Ireland, were legislators, judges, and officers the direct creatures of the people's choice! Who would dare to make a just law or enforce a stringent one? In America, the great body of the people still retains much of their ancestral reverence for the laws, — what Carlyle calls "an inveterate and inborn reverence for the constable's staff," — and a wholesome education is contending manfully in the same direction. Yet even there, we see occasionally alarming indications of the difficulties which are felt by popularly elected officers, in cases where the law-makers and the law-breakers are identical. The exceptions are few indeed; but enough to make us at times afraid that the apprehensions of Jefferson on the probable *euthanasia* of democracy in the United States may be a proof of his foresight as well as of his sensitiveness. — *Ibid.*, *October*, 1850.

National Self-Government. — One of the most essential conditions of success in self-government, in nations as in individuals, is a certain sobriety of character. They must have some capacity of independent thought, some power of resisting the influence of mere oratory, of withstanding the contagion of sympathy with numbers, of turning a deaf ear to high-sounding but unmeaning watchwords. Now, to be able to do all this implies either unusual natural solidity of intellect, or a degree of mental cultivation hitherto rarely to be found in the body of the people. It is curious, as well as instructive, to observe how much more readily the populace of most countries, France and Ireland more especially, can be fired by grand ideas, and fine, though wild, conceptions, than by the ablest appeal to their reason or even to their material interests. They turn with disgust or incredulity from the wise and far-sighted political economist, and drink in with eager ear the exciting rhapsodies of the poet. "Gain but their ear (it has been said) and you will rarely find them fail in their comprehension of an abstract notion; whereas they are generally incapable of penetrating into any points of detail. Talk to the starving people of plans, the best devised and wisest, for giving them

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bread to eat; try to induce them to see the positive correctness of your calculations; and they will either leave you to discourse to the winds or will stone you to death, after accusing you of wishing to take advantage of the public distress. But entertain them with declamations about glory, honor, charity, and they will forget their wants in a child-like admiration." — *Ibid.*

Popular Leaders. — The first great disadvantage inherent in representative government, where the basis of the representation is at all extended, is this: — it brings to the head of affairs not necessarily the wisest statesmen nor the ablest administrators, but simply the most effective speakers and the most popular leaders. In a country where the body of the people are so much in the habit, and cling so much to the privilege, of expressing their opinions in public meetings, and where, periodically, the candidates for their suffrages address them from the hustings, rhetorical powers will of course be in the greatest demand, and cannot fail to command for their possessor a success and a position in public estimation out of all proportion to their real value. — *Ibid.*

Popular Feeling. — Majorities and minorities have reciprocal rights and duties. Any tampering with the fair, broad basis of the suffrage, — any fetters upon free discussion, — any restrictions on the decent freedom of the press, — are, on the part of the victorious majority, as clear, undoubted violations of the rights of their antagonists, as insurrection and conspiracies would be on the part of the defeated minority. While every man has a vote, and full freedom in the expression of his views, no excuse can exist for violence or secret plots. On the other hand, while every man bows to the decision of the aggregate votes of the community, no excuse can exist for tyranny on the side of the dominant party. Every thing must be decided by votes, and votes must be gained by discussion. This is the inevitable corollary of the Revolution: in accepting it frankly, and following it out boldly, lies now the only hope of freedom or salvation, — the endeavour to escape from it can lead only to bloodshed and confusion. In a forbearing respect for each other's rights the antagonist parties will do well to seek safety and peace. For if peace is their object, to this they must come at last. Otherwise, as long as each persists in encroaching on the power and province of the other, — in pursuing secretly ulterior designs incompatible with loyalty to the constitution they have sworn to maintain, — in employing power, when they have obtained it, to cripple and disarm their opponents, — in refusing allegiance to any government, and obedience to any law, which does not embody their own crotchets, or which is not established by their own party, — we can see no prospect but continued turbulence and final anarchy. — *Ibid.*

Unwritten History. — The world is to go forward; and its literature, the history of its mind, is to be preserved: of this no one doubts. The task of preservation will become more and more difficult as time runs on; and to meet the difficulty, engines of increased power must, and therefore will, be invented: to doubt this is rather to reject history than to prophesy. The day will come when the record which it is thought

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worth while in Great Britain to give to the documents of all times and all tongues will involve as much printing as the United Parliament orders in three years, and a proportionate quantity of mechanical preparation. Imagine that time *come now*, and no bolder flight is necessary. We believe that we much overrate the printing of the world in each particular, if we describe it as done in four hundred years, by ten literary nations, at the rate of a thousand titles each year from the beginning: and we are afraid we must say that one fourth of this is irrecoverably lost. Perhaps our readers will think more: if it be so, our calculation is the more what we intend it to be, above the mark. — *Ibid.*

THE EFFECT OF GOLD UPON PRICES.

From the New York Courier and Enquirer, November, 1850.

At intervals during the last two years, attempts have been made to frighten the commercial world in regard to the consequences upon commerce of the great influx of gold from California. It has been alleged that there is danger of gold being depreciated as the standard of value from its promised abundance; and that at no distant period it will cease to be the standard, &c., &c.

Now, we are far from apprehending any such result from almost any conceivable amount of gold which may be derived from California, although we verily believe that the amount to be received from that quarter will greatly exceed the estimates of the most sanguine. In a very few years the receipts from surface-mining, or *washings*, must entirely cease, or very greatly diminish; but by that time the *quartz veins* of the country will be regularly worked by machinery; and the yield from that source, if we are not greatly mistaken, will very far exceed what can ever be procured from the mere *washings* of the most successful years.

It is difficult to say what amount of gold annually added to the currency of the world would ultimately prove an evil, and destroy its character as a standard of value; but it is very certain, in our judgment, that we need not apprehend any such result. We inquired not long since of one of our most intelligent bankers, what he supposed was the relative amount of the commercial transactions of the world now and at the commencement of this century; and his answer was, "At *least* three times as great now as then, probably five times as great." We then asked whether there had been any increase of the gold currency of the world during the last fifty years; which he answered in the negative! How then have we been enabled to increase our business? The answer to this is obvious. The gold basis in 1800 was not too large; the same ratio of basis would not be too large now; but necessity knows no law, and as the business of the world increased, *necessity* compelled a substitute for the gold basis, and that substitution was and is *Credit*. In

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other words, commerce, of necessity, accommodated itself to the gold basis for currency which the world possessed; and if you remove the *necessity* for thus accommodating itself to an artificial state of things, beyond all doubt it will do so without any revulsion, and without gold ceasing to be the standard of value. It is estimated that the gold basis *now*, as in 1800, is about three thousand millions of dollars; and if the commerce of the world is three or five times greater now than then, it would follow, that the introduction of a million of gold per day for the next *thirty years* would not give us a gold basis, in proportion to our commerce, equal to the gold basis at the commencement of the century! Such an unheard of increase of gold would necessarily enhance the value of every thing else, labor included; but it would not destroy gold as the standard of value. And taking into consideration the amount of gold which would be demanded by the arts, and for various manufactures, and for the luxuries of life, as also the yearly increasing business of the world, it would take at least *fifty years*, at a million per day, to give us a greater gold basis, in proportion to the commerce of the world, than existed at the commencement of the present century.

We, therefore, are not of those who apprehend any danger to our standard of value from an influx of gold from California, even if that influx should be equal to a million of dollars per day for the next fifty years. That it will amount to any such sum, we do not for a moment believe; nor do we suppose it will ever reach half that sum, or a hundred and fifty millions per annum. As we have already said, the placers must soon be exhausted, and then our supply will be exclusively from the working of the quartz veins. The gold from this source will, no doubt, be enormous; but there are no reasons to believe that the veins to be worked are very numerous.

In connection with this subject, we may appropriately add the following significant paragraph: —

Alteration of the Currency in Holland. — The Dutch Government have issued an official notice, that, from the 22d of June last, the Dutch five and ten guilder *gold pieces will cease to be a legal tender.* The Bank of the Netherlands will give *silver coin* in exchange for them from the 17th to the 22d of June. From that time up to the 30th of July they will only be taken in payment of duties, and after the 30th of July they will no longer circulate except as gold coin subject to the price of gold. It will be remembered that the law authorizing this measure, but which did not specify the period at which it should take place, was adopted on the 17th of September last. Since 1819, the amount coined in five and ten guilder pieces has been equal to about fourteen and a half millions sterling, but it is believed that not more than two or three millions will now be presented for melting. — *London Bankers' Magazine, August*, 1850.

[The importance of the subject of the supply and consumption of gold, and its maintenance as a standard of the currency, is such, that we have devoted a large number of pages to its discussion. In addition to the remarks from the exceedingly able articles of the *Edinburgh Review*, our readers will find other comments upon the same topic from the *London Times*, in our present number. The reader can also with advantage consult our November number, containing Mr. McCulloch's observations on the question, "Whether gold or silver should be adopted as the standard of the currency, or whether it should consist of both." — Ed. B. M.]

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ASSURANCES AND LIFE ANNUITIES.

From "Popular Instructions on the Calculation of Probabilities." By M. A. Quetelet.

Assurance Societies have for their object, to supply the means, by certain payments, of sheltering men from those chances by which their interests are threatened. Hence assurances on human life, against fire, uncertain seasons, the dangers of the sea, &c.

Assurance on human life is a sort of contract, by virtue of which a capital or a rent is secured, at the end of a certain time, by means of a sum of money paid at once, or a smaller sum paid annually.

The contract receives the name of a policy of assurance; and the sum paid once for all is termed the price of the assurance, and that paid annually the premium of assurance.

Many modes of assurance exist; we shall exhibit the principal ones.

A person with a view of leaving a capital to his family, after his death, desires to effect an assurance on his life. This assurance may be made, either for a determinate time, as one, two, three years, &c., or for the whole life. In the first case, if the person assured die before the term stipulated, the inheritors receive the capital; if the person assured pass the term, they receive nothing; in the second case, the conditions of the policy should be always fulfilled.

The calculation made, as to the amount to be paid, should be, according to mathematical expectation, as equal for one party as for the other, deducting something for the profit of the insurer. If the price of assuring £ 100 for one year be required, supposing the assurer capable of paying the £ 100, the probability depends on the age of the person assuring. In equity, then, the sum paid should be equal to the value of the expectation, multiplied by the probability of obtaining it. If the person assuring be forty years of age, the probability of death in the course of the year will be, according to our table, $\frac{671}{38670}$, and this fraction, multiplied by 100, gives the price of the assurance, viz. 1.74 nearly. By the tables of mortality of France, the result is 1.89. This is the sum paid to the General Assurance Company established at Brussels. The Belgic and Strangers' Union Society requires 1.87. These societies follow the Table of Mortality of Dubillard, to be found in the "Bureau of Longitude," of France.

It will be seen that the profit of the assurer is reduced here to the interest of the sum lodged by the individual assuring. This profit will appear more considerable, if it be remembered that persons in health only are permitted to assure, and for whom the probability of dying is, consequently, considerably less than that indicated by the tables.

When a longer term than one year is contemplated, assurance societies calculate the interest of the money placed in their hands.

The Belgic Union Society, for example, receives 4.639 fl. as the price of an assurance of 100 fl. on the whole life, at the age of forty. There is a certainty of the society being called on to pay in this case, but at a time more or less remote, according to the age of the individual assuring.

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The calculation reduces itself, then, to the examination of the sum necessary to pay for the value of 100 fl., with the interest, estimated at three or four, and sometimes at five per cent.

Often, in place of a capital, an annuity may be assured to inheritors, having the same value as the capital, and for which, consequently, the same price is paid, or the same premium.

Two persons, two married persons, for example, can assure on their united lives, a capital or an annuity, in favor of the undetermined survivor, or in favor of the one first named. The case of assurances relates to compound probabilities. The Belgic Union Society require a premium of 1.60 fl. for an assurance of 100 fl. payable after the death of two persons whose ages are respectively forty and thirty. The premium is 1.89 fl. if the assurance of 100 fl. be payable to the younger of the two persons, if the survivor, and 2.51 if the survivor be not named.

Assurance societies receive also deposits during life, donations in favor of infants, weekly savings, &c. The payments during life consist in making one payment, or in giving annual premiums, in order to acquire a capital or an annuity at a certain period; it being necessary to consider, in the calculation, the probability of the life of the person assuring, and the interest of the money paid. Gifts in favor of infants consist in assuring a capital, or an annuity, to an individual, when he shall have attained a determined age; this calculation is the same as the former one. The weekly savings accumulate, with their interests, and are refunded at the choice of the depositor.

After what has been said, it will be evident that life assurance societies have for their basis the laws of human mortality, and the value of interests which produce a certain sum. Hence the great importance of having the tables of mortality prepared with care, and the capability even of establishing the distinction between men and women, the mortality being generally less amongst the latter. The tables also require to be revised as our habits and modes of living become modified.

Assurance societies may be constituted by the state, by particular societies, or by mutual associations. The two latter are the only ones known in practice. Particular societies are objects of speculation, where often the advantages of the assurances are immense. The mutual associations, where the assured are the assurers, regulate for themselves, and are interested in procuring full value for all, with the greatest amount of economy. Other societies again exist of a mixed character, societies where the assured are represented, and where they have a part in the profits.

Assurances against the dangers of the sea, against fire, against uncertain seasons, &c., ought to rest on the observation of numerous facts, which are still generally wanting. What has been stated will assist in calculating the probability of loss or gain, since, strictly speaking, and always subtracting the profits of the assurer, the sum deposited by the person assuring ought to be worth the product of the value of the property which he assures, by the probability which he has of losing it.

In 1818, there was a bank established at Paris, of savings and of providence, which merits imitation in all countries. Far from its having

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been an object of speculation, on the part of its founders, this bank is conducted gratuitously by them; it received from them a donation sufficient to meet the daily expenditure of preparing the accounts, the sole aim being, to offer to the small economists, without expense or risk for the future, an advantageous lodgment, afforded everywhere else only for sums of some amount.

Assurance societies and savings banks are establishments eminently useful when conducted on proper principles; they have, amongst other things, a moral tendency in enabling the provident man to see his economy fructify, not only for his own advantage, but for the benefit of those who are dear to him. They may be considered as stimulants to labor and good conduct, since the interests of the assured are bound up with them Assurance societies will be less profitable to governments than the lotteries, but they will confer on them infinitely great honor, and they will become one of the most powerful means for consolidating public tranquillity, while they improve the morality of the people. Governments do not, perhaps, consider sufficiently, that, in doing good, they interest an infinite number of individuals in their existence.

Probabilities of Human Life.

One of the most interesting applications of the calculations of probabilities is the formation of tables of mortality, their object being to make known the law according to which a certain number of individuals, born at the same period, successively perish.

Dr. Halley's Table on the Bills of Mortality at Breslau.

Ages.	*Persons Living.*	*Ages.*	*Persons Living.*	*Ages.*	*Persons Living.*	*Ages.*	*Persons Living.*
1	1000	24	573	47	377	70	142
2	855	25	567	48	367	71	131
3	798	26	560	49	357	72	120
4	760	27	553	50	346	73	109
5	732	28	546	51	335	74	98
6	710	29	539	52	324	75	88
7	692	30	531	53	313	76	78
8	680	31	522	54	302	77	68
9	670	32	515	55	292	78	58
10	661	33	507	56	282	79	49
11	653	34	499	57	272	80	41
12	646	35	490	58	262	81	34
13	640	36	481	59	252	82	28
14	634	37	472	60	242	83	23
15	628	38	463	61	232	84	19
16	622	39	454	62	222	85	15
17	616	40	445	63	212	86	11
18	610	41	436	64	202	87	8
19	604	42	427	65	192	88	5
20	598	43	417	66	182	89	3
21	592	44	407	67	172	90	1
22	586	45	397	68	162		
23	579	46	387	69	152		

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Halley, who constructed the first table of mortality (in 1693), employed the following method : — He made, for the city of Breslau, in Silesia, an enumeration of all individuals who, in the period of four years, died between 0 and 1 year, between 1 and 2 years, between 2 and 3 years, and so on to the most advanced period of life ; at the same time considering the population as stationary, or as affording annually a number of deaths equal to the number of births, and that all the individuals whose deaths he enumerated had been born at the same time, he deduced from their respective ages the law according to which they successively perished.

He took then the sum of all the deaths, deducting from it the number of infants which died between 0 and 1 year; the remainder indicated the number of survivors; from this last remainder he deducted the number of infants which died between 1 and 2 years, to obtain the number of survivors, and so on.

The following table, which gives the law of mortality in the southern provinces of the Netherlands, shows how 100,000 individuals, born at the same time, successively perish.

Law of Mortality.

Years.	*Individuals.*	*Years.*	*Individuals.*	*Years.*	*Individuals.*	*Years.*	*Individuals.*
0	100,000	28	45,866	56	27,155	84	2,929
1	77,507	29	45,284	57	26,357	85	2,429
2	69,470	30	44,709	58	25,547	86	2,000
3	64,799	31	44,147	59	24,727	87	1,619
4	61,899	32	43,589	60	23,890	88	1,285
5	59,864	33	43,023	61	23,041	89	998
6	58,726	34	42,448	62	22,176	90	744
7	57,800	35	41,857	63	21,296	91	537
8	57,129	36	41,249	64	20,402	92	378
9	56,557	37	40,629	65	19,493	93	267
10	56,077	38	39,990	66	18,571	94	204
11	55,660	39	39,335	67	17,636	95	150
12	55,409	40	38,670	68	16,688	96	105
13	54,919	41	37,999	69	15,731	97	76
14	54,569	42	37,322	70	14,761	98	54
15	54,226	43	36,638	71	13,769	99	38
16	53,883	44	35,948	72	12,781	100	25
17	53,533	45	35,252	73	11,718	101	19
18	53,167	46	34,549	74	10,697	102	16
19	52,643	47	33,840	75	9,679	103	13
20	51,956	48	33,125	76	8,706	104	10
21	51,132	49	32,406	77	7,810	105	7
22	50,309	50	31,671	78	69,77	106	4
23	49,498	51	30,940	79	6,213	107	2
24	48,703	52	30,199	80	5,501	108	1
25	47,939	53	29,452	81	4,798	109	0
26	47,218	54	28,698	82	4,131		
27	46,528	55	27,871	83	3,504		

The method which we have exhibited supposes a population stationary, which seldom occurs: if, however, it leaves something to be

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desired, on the side of accuracy, it presents great advantages in the simplicity of its application.

We shall presently show the principal applications of this table.

Probability of life may be considered as the number of years after which the probability of existing and of not existing become the same; or rather, the number of years after which individuals of the same age are reduced one half. The preceding table shows, that of the 100,000 individuals which have been supposed to be born at the same time, but 50,000 remain between the 22d and 23d year: the probability, therefore, that a newly-born infant shall live to $22\frac{1}{2}$ years, viz. the probability of life, is $\frac{50000}{100000}$ or $\frac{1}{2}$. The probability of life in France is $20\frac{1}{2}$ years nearly, according to the Bureau of Longitude; in England it is 27 to 28 years. The probability of life is very short in large towns; it falls at Paris to between the eighth and ninth year; at London a little before the third year; at Vienna a little before the second year; a little after at Berlin; and at Brussels after the twenty-third year.

Mean life is calculated, by supposing that an equal division is made of all the ages of the individuals which have been considered in the tables of mortality.

	Years.	*Months.*
It is in Switzerland,	37	1
Southern Provinces of the Netherlands,	30	4
France,	28	9
Northampton,	25	2
London,	17	11
Berlin,	17	1
Vienna,	15	9

By means of the table of mortality, the probability of continuing to exist, for a certain number of years, may be determined to a certain age not specified. If it be required to know, for example, what the probability would be of living twelve years for an individual who had attained thirty years.

The number of survivors at thirty and forty-two years would be found in the table respectively, 44709 and 37322. The first number ought to be considered as the total number of chances; and the second as the number of favorable chances; the probability required will be then $\frac{37322}{44709}$; for France it will be found $\frac{35540}{43818}$; these probabilities are nearly equal.

If the probability of life be required at thirty years, one half the number of individuals of that age must be taken, which gives 22,354. This number corresponds in the table to sixty-two years nearly; there is then one to one that the individual of thirty years shall attain sixty-two years; it may be said that the probability of life for a man of thirty years is thirty-two years. In France it is not quite thirty years.

The probability of life is greater or less according to the age: it is at its *maximum*, in nearly all countries, about the fourth and fifth year.

In the southern provinces of the Netherlands, the probability of life is at its maximum about the fifth year, and its value is from forty-seven to forty-eight years; in France, it falls between the fourth and fifth years, and is nearly forty-six years.

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The maximum of mean life falls between the fifth and sixth years in England, between the sixth and seventh years, according to Price; in France, between the fifth and sixth, according to Duvilard, and its value is from forty-one to forty-five years.

The probability may also be determined for the continued existence for a certain number of years of two persons, their ages being given. This probability is then composed of two simple probabilities that each of these persons will live to the period named; for example, what is the probability that an individual thirty years of age, and his wife twenty years of age, shall continue to live twelve years. Multiplying the fraction $\frac{37322}{44709}$ by $\frac{43588}{51856}$, the product will express the probability of living twelve years longer; the latter fraction expressing the probability which the individual who had attained twenty years has of living still twelve years.

Thus may be calculated the probability that three, four, or any greater number of persons, may have of living for any time named.

If we review all that has preceded, we shall be compelled to conclude that there are but few things of which we can acquire a certainty, and that the greater part of our knowledge, even what relates to essentials, is founded only on probabilities more or less strong. It is then interesting to be enabled to appreciate the value of these probabilities, not only to apply them to particular cases which constantly defeat our calculations, but to elevate us to the knowledge of results which are produced by the same causes always acting, whether they be known, or whether their existence and their mode of action be only revealed by experience. Chance, a mysterious word, which has been too much abused, ought only to be considered as serving to conceal our ignorance; being a phantom which exercises a most absolute empire over the vulgar mind, habituated to consider events only as insulated facts; but which are annihilated before the philosopher, whose eye embraces a long series of events, and whose observation is not deceived by irregularities, which disappear from before his steady view, when he is enabled to take a position sufficiently elevated to seize the laws of nature. These laws are eternal, immutable, as the intelligence from whence they flow; it is not in our power to alter them.

The table of mortality which we have given may also serve to determine, how far the individuals of a determinate age may be calculated on in a population; this constitutes the law of population; taking in effect the sum of all the numbers which the table contains, and if this number be considered as representing the population, the particular numbers in the table will represent the individuals of different ages of which the population is composed.

The calculation of probabilities has made known a singular fact, that more males than females are born; and this observation has been made in all countries. The ratio of male to female births is,—

In the Netherlands, ...	as 1 to 0.9427
France, ...	" 1 " 0.9375
Kingdom of Naples, ...	" 1 " 0.9560
England, ...	" 1 " 0.9470

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It is remarkable, from the observation of ten years, that the ratio is not the same for the towns and the country in the kingdom of the Netherlands. For the towns it is found as 1 to 0.9480, and for the country, as 1 to 0.9375.

In estimating the population, it is also usual to find the ratio of the population to the births and deaths; these ratios for the Netherlands, according to ten years' observations, collected by the commission of statistics of the kingdom, have the following values: —

Towns.	*Country.*
1 Birth for 26.07 Individuals.	1 Birth for 29.14 Individuals.
1 Death " 32.61 "	1 Death for 48.83 "

It is found, also, that one marriage may be calculated on for one hundred and thirty-two individuals; and for each marriage there may be estimated four to five infants, or more correctly, 4.56. This last ratio is the measure of fecundity; it varies according to the country, as may be seen by the following table: —

Savoy,	5.65	Scotland,	5.13
Government of Venice,	5.45	Moravia and Silicia,	4.81
Bohemia,	5.27	Netherlands,	4.56
Muscovy,	5.25	France,	4.21
Bergamo,	5.24	Sweden,	3.62
Portugal,	5.14	England,	3.50

The numbers of births and deaths are not the same in the different months of the year, but they present a *maximum* and a *minimum*.

These numbers, notwithstanding the modifications which they ought to undergo from the difference of climates and manners, seem to follow a law which is sufficiently manifested in the observations made during eighteen years at Brussels. They have been since verified by more than thirteen millions of observations collected by M. Villermé, in different parts of the globe, leaving, therefore, no doubt on the subject.

To form an idea of this law, it will suffice to cast the eyes over the subjoined table, which is the result of records made at Brussels.

	Deaths.	*Births.*		*Deaths.*	*Births.*
January,	1172	1040	July,	806	901
February,	1110	1157	August,	844	903
March,	1100	1099	September,	884	940
April,	1068	1079	October,	954	949
May,	995	989	November,	975	968
June,	916	956	December,	1175	1172

The *minimum* of births, which occurs in July, seems to obtain earlier, in proportion, as we advance towards the south.

We shall conclude this lesson by a remark relative to a prejudice existing, generally, on the pretended danger of being the thirteenth at table.

If the probability be required, that out of thirteen persons of different ages, one of them, at least, shall die within a year, it will be found that the chances are about one to one that one death, at least, will occur. This calculation, by means of a false interpretation, has given rise to the prejudice, no less ridiculous, that the danger will be avoided by inviting a greater number of guests, which can only have the effect of augmenting the probability of the event so much apprehended.

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TABLE OF MORTALITY FOR BELGIUM.

Age.	*Towns.*		*Country.*		*General Table.* — *Towns and Country; Males and Females.*
	Males.	*Females.*	*Males.*	*Females.*	
Birth,	10,000	10.000	10,000	10,000	100,000
1 Month,	8,840	9,129	8,926	9,209	90,396
2 "	8,550	8,916	8,664	8,988	87,936
3 "	8,361	8,760	8,470	8,829	86,175
4 "	8,193	8,64	8,314	8,694	84.720
5 "	8,069	8,540	8,187	8,587	83,571
6 "	7,961	8,437	8,076	8,490	82,526
1 Year,	7,426	7,932	7,575	8,001	77,528
18 Months,	6,954	7,500	7,173	7,603	73,367
2 Years,	6,626	7,179	6,920	7,326	70,536
3	6,194	6,761	6,537	6,931	66,531
4	5,911	6,477	6,326	6,691	64,102
5	5,738	6,295	6,169	6,528	62,448
6	5,621	6,176	6,038	6,395	61,166
7	5,547	6,095	5,939	6,299	60,249
8	5,481	6,026	5,862	6,215	59,487
9	5,424	5,966	5,792	6,147	58,829
10	5,384	5,916	5,734	6,082	58,258
11	5,352	5,873	5,683	6,018	57,749
12	5,323	5,838	5,634	5,960	57,289
13	5,298	5,807	5,589	5,908	56,871
14	5,271	5,771	5,546	5,862	56,467
15	5,241	5,732	5,502	5,796	56,028
16	5,209	5,689	5,456	5,725	55,570
17	5,171	5,645	5,408	5,668	55,087
18	5,131	5,600	5,357	5,608	54,575
19	5,087	5,551	5,302	5,546	54,030
20	5,038	5,500	5,242	5,484	53,450
21	4,978	5,445	5,178	5,421	52,810
22	4,908	5,387	5,109	5,356	52,172
23	4,827	5,326	5,036	5,289	51,465
24	4,740	5,264	4,958	5,222	50,732
25	4,662	5,201	4,881	5,153	49,995
26	4,590	5,138	4,805	5,085	49,298
27	4,523	5,074	4,734	5,016	48,602
28	4,459	5,010	4,673	4,948	47,965
29	4,397	4,946	4,620	4,880	47,350
30	4,335	4,881	4,572	4,812	46,758
31	4,275	4,816	4,525	4,744	46.170
32	4,214	4,751	4,478	4,677	45,584
33	4,154	4,686	4,431	4,609	44,996
34	4,094	4,622	4,384	4,542	44,409
35	4,034	4,558	4,337	4,474	43,823
36	3,976	4,490	4,296	4,401	43,236
37	3,918	4,418	4,255	4,329	42,650
38	3,860	4,347	4,215	4,257	42,064
39	3,802	4,277	4,174	4,185	41,476
40	3,744	4,208	4,134	4,112	40,889
41	3,678	4,148	4,090	4,041	40,300

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TABLE OF MORTALITY FOR BELGIUM.

Age.	*Towns.*		*Country.*		*General Table.* — *Towns and Country; Males and Females.*
	Males.	*Females.*	*Males.*	*Females.*	
42	3,611	4,088	4,044	3,971	39,697
43	3,544	4,027	3,995	3,901	39,106
44	3,477	3,967	3,943	3,831	38,504
45	3,411	3,907	3,887	3,761	37,900
46	3,352	3,846	3,827	3,701	37,295
47	3,293	3,783	3,767	3,640	36,690
48	3,233	3,720	3,707	3,579	36,084
49	3,174	3,656	3,647	3,513	35,477
50	3,115	3,592	3,588	3,458	34,789
51	3,040	3,520	3,512	3,392	34,153
52	2,962	3,448	3,435	3,323	33,418
53	2,881	3,375	3,358	3,256	32,676
54	2,810	3,300	3,276	3,187	31,930
55	2,739	3,225	3,194	3,118	31,179
56	2,667	3,150	3,111	3,049	30,424
57	2,583	3,080	3,026	2,982	29,656
58	2,499	3,010	2,939	2,912	28,423
59	2,415	2,939	2,851	2,840	27,465
60	2,329	2,862	2,767	2,762	26,875
61	2,239	2,779	2,677	2,677	26,081
62	2,146	2,689	2,587	2,586	25,242
63	2,051	2,595	2,495	2,495	24,356
64	1,956	2,498	2,387	2,405	23,478
65	1,859	2,397	2,277	2,310	22,462
66	1,754	2,292	2,163	2,200	21,362
67	1,649	2,187	2,049	2,086	20,263
68	1,556	2,085	1,942	1,983	19,219
69	1,466	1,983	1,835	1,875	18,175
70	1,372	1,864	1,713	1,758	17,017
71	1,279	1,741	1,587	1,642	15,860
72	1,184	1,627	1,474	1,530	14,749
73	1,087	1,514	1,358	1,420	13,638
74	989	1,389	1,236	1,300	12,461
75	891	1,261	1,114	1,182	11,273
76	806	1,134	996	1,061	10,120
77	721	1,011	882	940	9,014
78	631	906	770	832	7,910
79	541	789	664	723	6,853
80	463	682	566	619	5,867
81	394	584	482	535	5,031
82	332	495	414	460	4,299
83	273	411	353	390	3,627
84	225	346	294	323	3,016
85	184	289	239	262	2,464
86	150	239	199	211	1,989
87	120	192	152	168	1,585
88	93	150	117	132	1,233
89	69	116	88	97	924
90	49	86	67	71	682

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TABLE OF MORTALITY FOR BELGIUM.

Age.	*Towns.*		*Country.*		*General Table. Towns and Country; Males and Females.*
	Males.	*Females.*	*Males.*	*Females.*	
91	37	65	48	54	510
92	28	47	38	40	387
93	18	33	27	32	282
94	11	24	20	24	207
95	9	18	14	18	153
96	5	12	10	12	105
97	4	8	7	7	67
98	2	4	4	4	39
99	1	2	2	2	20
100	.	1	1	1	10
101	. .	. .	. .	. .	5
102	. .	. .	. .	. .	2
103	. .	. .	. .	. .	1
104	. .	. .	. .	. .	. .

THE IMPORTANCE OF BANK LIBRARIES.

From the London Bankers' Magazine, October, 1850.

We need scarcely say that a certain number of useful business works are as necessary to a banker as they are to a solicitor. A banker is supposed to know the leading principles of the law, so far as they relate to his ordinary business, sufficiently well to render it unnecessary for him to refer to "cases" on every emergency; and it will generally be found that a good practical banker has more real occasion for a ready knowledge of mercantile law, than even the solicitor of his district. The banker is subject every day to have to decide, without hesitation, on contingencies which a lawyer may consider at leisure; and as he is thus called upon to act on the instant, and without time for much consideration, it is important for him, and for the bank he represents, that he should be able to decide safely on an ordinary question of mercantile law, without hesitation. To do this, however, he must necessarily be well acquainted with the principles of commercial law, and must keep himself advised of the changes which occur from time to time by the acts of the legislature, and the decisions of the courts. The latter he may obtain from the newspapers and legal journals, but unless he has had an opportunity of gaining a knowledge of the *principles* of mercantile law, before he is called upon to apply them in practice, he, and those whose interests are intrusted to his charge, will suffer greatly by his ignorance.

It is, therefore, obviously of importance to bankers that their younger officers who may hereafter be appointed managers should have the means of gaining some amount of useful legal knowledge, and an ac-

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quaintance with the principles of political economy, while they are acting as clerks and accountants; and although a young man who is desirous of qualifying himself for the higher duties of his profession will no doubt obtain and make himself familiar with such useful books as may be readily obtainable, it would be advantageous if the heads of his establishment provided a few works of a decidedly useful character, to which he might refer for information.

A small library of books of this kind might be obtained for a few pounds; and they ought to be added to the office furniture of every branch. Where a bank has many branches, three or four distinct treatises might be obtained on any one subject, and distributed amongst the branches in a district. If the books belonging to one branch were then exchanged from time to time by the branches amongst each other, the manager and officers at every branch would be able to obtain the best and latest information on any particular branch of the law connected with their business.

The principal works required at the commencement of a banking library would be, —

1. *A General Treatise on the Principles of Law*, such as a modern edition of *Blackstone's Commentaries*, or some of the other excellent works of a similar character, which have been published during the last few years.

2. *A Treatise on Bills of Exchange and Checks.* The well-known work of *Chitty* is rather a book of reference now, in consequence of its size and price and enormous accumulation of cases; but it ought to be obtained, or its place supplied, by *Byles's* more convenient treatise on Bills, or a similar work.

3. *A Treatise on the Law of Contracts* is an essential work. A knowledge of the law of contracts is absolutely necessary to every man of business, and a useful work on contracts of a mercantile character ought therefore to be one of the first books obtained.

4. *A Treatise on the Law of Bankruptcy* must also form one of the earliest additions to the library.

5. A modern edition of *Adam Smith's Wealth of Nations*, and other standard works on political economy, of which banking is a branch, would of course be procured at the earliest opportunity.

6. *Works on the Theory and Practice of Banking*, such as those of *Mr. Gilbart; The Parliamentary Blue Books* containing the evidence given, from time to time, before committees of both Houses of Parliament on the currency; and good treatises on *Bank Book-keeping and Arithmetic*, should also be found with those we have already referred to.

Now, if the directors and managers of banking establishments determined on supplying their branch with a set of books of this character, *they might be obtained at a very considerable reduction off the ordinary publishing price.* The publishers of any of the works we have referred to, would make a large reduction, if a considerable number of copies were taken altogether; *and we shall be happy to undertake an arrangement of this kind for any banks which may please to adopt a resolution to supply their branches with sets of books.* For example, if three

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or four banks order altogether, amongst them, fifty copies of any of the works we have specified, or of any others which may be desired out of lists which could be supplied, or which we may hereafter publish in the Magazine, we will obtain from the publisher the lowest price at which he would supply such a number of copies: and the expense of them would be ratably borne by the several banks, according to the number of copies they required. A committee of half a dozen gentlemen, consisting of the leading officers of some of the large joint-stock banks, might probably be obtained, to decide on the works to be procured; or the banks might send us a list of the books they would wish to have procured, and we will advise them of what the cost would be.

In order to obtain the means for giving information on the subject to such bankers as may feel disposed to act in the matter, we shall address a note to the publishers of works on the subjects referred to above, and inquire the prices at which they will supply quantities of, say one hundred copies of separate treatises. We shall then be able to furnish an estimate of the cost for a small banking library, and will state, probably in our next number, for what sum a set of books could be furnished.

Should the directors of the several banks decline to provide the funds for supplying their branches with libraries, the managers and officers at a branch will be enabled by this information to ascertain for what sum, *subscribed by themselves*, they can provide the books they may desire.

In the mean time we should be happy to receive communications from those who think it desirable to promote the formation of banking libraries, and who will favor us with suggestions on the subject.

Decrease of Silver Coin. — The large export of silver from this country having been accounted for in certain quarters as caused by "the withdrawal of the gold coin from circulation in Belgium and Holland," it is necessary to state that there is no intention of withdrawing the gold coin from circulation in Belgium; on the contrary, the gold coinage of that country has been very greatly increased during the last three months; and it is also proposed to further increase it by the coinage of a smaller gold piece than that now in circulation. The only change that has been made was in the value of the English sovereign, which was formerly a legal tender at 25.50 francs; it has now ceased to be a legal tender, and only now bears its market value, at which it circulates freely. In Holland, where they have always had both a gold and silver standard, the current gold coin has been called in for recoinage solely, and not with a view to its withdrawal.

These are facts generally known in the commercial world; but, as the statement above alluded to may create an erroneous impression upon the subject in question, it has been thought desirable to call attention to it.

By the returns made to the Belgian government, it is shown that the notes issued by the two banks in Brussels, in circulation on the 1st of November, 1850, were: —

	Société Générale.	*Bank of Belgium.*
In notes of francs, 1,000	7,520,000	3,284,000
" " 500	7,571,500	2,401,500
" " 100	9,171,900	4,062,900
" " 50	2,455,700	438,100
" " 20	2,843,820	346,500
" " 5	137,090	36,000
Total Francs, 40,269,010.	Francs, 29,700,010	10,569,000

London Morning Chronicle, November 9, 1850.

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A PRACTICAL TREATISE ON BANKING.

By JAMES W. GILBART, Esq.,
Manager of the London and Westminster Bank.

Continued from page 505, December number.

"The best security against mismanagement of banking affairs, must ever be found in the capacity and integrity of those who are intrusted with the administration of them, and in the caution and prudence of the public: but no legislative regulation should be omitted which can increase and insure the stability of establishments upon which commercial credit so much depends."

SECTION V.—The Administration of a Bank with Reference to Proceedings on Bills of Exchange. — *Continued from page 505.*
SECTION VI. —On the Employment of Surplus Funds.
SECTION VII. —On Seasons of Pressure.
SECTION VIII. —On the Effects of the Bank of England Charter of 1844.

"It has been held that where a man is of a religion which gives to any other day of the week the sanctity of Sunday, as in the case of the Jews, he is entitled to the same indulgence as on that day.

"Where Christmas-day, or such day of fast or thanksgiving, shall be on a Monday, notice of the dishonor of bills or notes due or payable the Saturday preceding need not be given until the Tuesday following.

"And Good Friday, Christmas-day, and any day of fast or thanksgiving, shall, from 10th April, 1827, as far as regards bills or notes, be treated and considered as Sunday.

"But these provisions do not apply to Scotland.

"If the holder of a bill or note place it in the hands of his banker, the banker is only bound to give notice of its dishonor to his customer, in like manner as if the banker were himself the holder, and his customer were the party next entitled to notice.

"And the customer has the like time to communicate such notice, as if he had received it from a holder.

"And therefore by thus placing a bill or note in a banker's hands, the number of persons from whom notice must pass is increased by one.

"Thus notice sent by a London banker to a London customer the day after the dishonor is in time; and if the customer communicate that notice the day following, that will be in time also.

"It is no excuse for not giving notice the next day after a party receives one, that he received his notice earlier than the preceding parties were bound to give it, and that he gave notice within what would have been proper time if each preceding party had taken all the time the law allowed him. The time is to be calculated according to the period when the party in fact received his notice. Nor is it any excuse that there are several intervening parties between him who gives the notice and defendant to whom it is given; and that if the notice had been communicated through these intervening parties, and each had taken the time the law allows, the defendant would not have had the notice sooner.

"Sending a verbal notice to a merchant's counting-house in the ordinary hours of business, at a time when he or some of his people might reasonably be expected to be there, is sufficient; it is not necessary to leave or to send a written notice, or to send to the house where he lives Sending notice by the post is sufficient, though it be not received; and where there is no post, it is sufficient to send by the ordinary mode of conveyance.

"And it is not essential the notice should be sent by the post where there is one; sending to an agent by a private conveyance, that he may give the notice, is sufficient, if the agent give the notice, or take due steps for the purpose, without delay.

"Notice to one of several partners is notice to all: and when a bill has been drawn

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by a firm upon one of the partners, and by him accepted and dishonored, it is unnecessary to give notice of such dishonor to the firm; for this must necessarily be known to one of them, and the knowledge of one is the knowledge of all.

"Upon an acceptance payable at a banker's, notice of non-payment need not be given to the accepter; for he makes the bankers his agents; presentment to them is presentment to him.

"A person who has been once discharged by laches from his liability on a bill or note is always discharged. And, therefore, where two or more parties to a bill or note have been so discharged, but one of them, not knowing of the laches, pays it; he pays it in his own wrong, and cannot recover the money from another of such parties."

As many bills drawn in foreign languages pass through the hands of a London banker, it may be useful to give a list of some of those words which express the amount and the time, the two main points in a bill of exchange: —

English, . . .	One	Two	Three	Sixty	Ninety.
German, . .	Ein	Zwei	Drei	Sechzig	Neunzig.
Dutch, . . .	Een	Twee	Drie	Zestig	Negentig.
French, . . .	Un	Deux	Trois	Soixante	Quatre-vingt-dix, or Nonante.
Italian, . . .	Uno	Due	Tre	Sessanta	Nonanta, or Novanta.
Spanish, . .	Uno	Dos	Tres	Sesenta	Noventa.
Portuguese, . .	Hum	Dous	Tres	Secenta	Noventa.
Swedish, . .	En	Twa	Tre	Sexti	Nitti.
Danish, . . .	Een	To	Tre	Tredsindstyve	Halvfemtesindstyve.

English, . . .	Two months after date.	Three days after sight.
German, . . .	Zwei monate nach dato.	Drei tage nach sicht.
Dutch, ...	Twee maanden na dato.	Drie dagen na zigt.
French, . . .	A deux mois de date.	A trois jours de vue.
Italian, . . .	A due mesi dopo data.	A tre giorni vista. / A tre giorni dopo vista.
Spanish, . . .	A dos meses de la fecha. / A dos meses data.	A tres dias vista.
Portuguese, . .	A dous mezes de data.	A tres dias vista.
Swedish, . . .	Twa manander ifran dato.	Tre dagar efter sigt.
Danish, . . .	To maaneder efter dato.	Tre dage efter sigt.

In all the above languages, "at sight" is usually expressed by *a vista*, except the French, which expresses it by *à vue*. "At usance" is expressed by *a uso* or *ad uso*. The names of the months so nearly resemble the English, that a mistake can but rarely occur.

The following are forms of bills in each of the above languages: —

FRENCH.

Lille, le 28 Septembre, 1848. *Bon pour £158 9 Sterlings.*

Au vingt-cinq Décembre prochain, Il vous plaira payer par ce mandat à l'ordre de nous-mêmes la somme de cent cinquante-huit livres sterlings 9 shellings valeur en nous-mêmes et que passerez suivant l'avis de

A Messieurs _____
à Londres.

GERMAN.

Nürnberg, den 28 October, 1848. *Pro £100 Sterling.*

Zwei monate nach dato zahlen Sie gegen diesen Prima Wechsel an die Ordre des Herrn _____ *Ein Hundert Pfund Sterling den Werth erhalten. Sie bringen solche auf Rechnung laut Bericht von*

Herren _____
London.

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DUTCH.

Grouw, den 1st November, 1848. *Voor* £59 17 6

Twee maanden na dato gelieve UEd te betalen voor dezen onzen prima Wisselbrief de secunda niet betaald zynde aan de ordre van de Heeren _____ *negen & vyftig Ponden zeventien schelling en zespences sterling, de waarde in rekening UEd stelle het op rekening met of zonder advys van*

de Heer _____

te London.

ITALIAN.

Livorno, le 25 *Settembre*, 1848. *Per* £500 *Sterline.*

A Tre mesi data pagate per questa prima de Cambio (una sol volta) all' ordine _____, *la somma di Lire cinque cento sterline valuta cambiata, e ponete in conto M. S. secondo l'avviso Addio*

Al _____

Londra.

SPANISH.

Malaga, á 20 *de Setb^re de* 1848. *Son* £300.

A noventa dias fecha se serviran V^s mandar pagar por esta primera de cambio á la orden de los S^res _____ *Tres cientas libras Esterlinas en oro o plata valor recibido de dhos S^res que anotaran valor en cuenta segun aviso de*

A los S^res _____

Londres.

PORTUGUESE.

£600 *Esterlinas.* *Lisbon, aos* 8 *de Dezembro de* 1848.

*A Sessenta dias de vista precizos pagará V*_____ *por esta nossa unica via de Letra Segura, á nos ou á nossa Ordem a quantia acima de Seis Centas Livras Esterlinas valor de nos recebido em Fazendas, que passera em Conta segundo o aviso de*

Ao Sen^r _____

Londres.

SWEDISH.

Bjorneberg, den 23 *September*, 1848. *For* £ *Sterl.* 100.

Nittio Dagar efter dato behagade H. H. emot denna prima Wexel (secundo obetald) betala till Herr _____ *eller ordres Etthundra Pund Sterling som stalles i rakning enligt avis.*

Herrar _____

London.

DANISH.

Kjobenhavn, 9 *December*, 1848. *Rbae* 4,000.

Tre maaneder efter dato behager de at betale denne Prima Vexel, secunda ikke, til Herr _____ *eller ordre med Fire Tusinde Rigsbank Daler, Valutta modtaget og stilles i Regning ifölge advis.*

Herrer _____

London.

Bills of exchange form a large proportion of the circulating medium of Lancashire, and supply the place of country notes. The following account is given by J. Gladstone, Esq., M. P.: —

"We sell our goods, not for payments in cash, such as are usual in other places, but generally at credits from ten days to three months, to be then paid for in bills on London at two or three months' date. Those bills we pay to our bankers, and receive from them bills or cash, when we have occasion for either, to make our payments. The bank-notes or gold we require for our ordinary purposes and charges of merchandise of every description. The account is kept floating. The interest on both sides is calculated at the same rate, at present five per cent. Last year the rate was reduced to four; and the banker charges a commission of a quarter per cent. on the amount of

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one side of the account. That charge is his remuneration, and that of his bankers in London, for paying our acceptance there, both inland and foreign. The account fluctuates, depending on the confidence the banker may have in his customers; if that confidence is entire, the customer is occasionally in his banker's debt, but more frequently the balance is in his favor.

"Does that extend to the whole of Lancashire? — I believe the system at Manchester, Preston, and the other principal towns, is similar; I am not aware of any other. There are some small country bankers in the neighbourhood of Manchester who issue promissory notes, but I do not know any thing of their practice; none of the more respectable banks in Lancashire do issue them." (Lords, 216, Gladstone.)

"If I sell a thousand pounds' worth of goods to a wholesale grocer, or any other person who again distributes them to his customers in the country, when he comes to pay me the £1,000 he will do so in bills, running from £10 to any other sum; the £1,000 may be paid in twenty or thirty bills of exchange, drawn on London, and generally at two and sometimes three months' date." (Lords, 227, Gladstone.)

Mr. Lewis Loyd, of the firm of Messrs. Jones, Loyd, & Co., estimated, in 1826, that the circulation of Manchester consists of nine parts bills of exchange, and the tenth part gold and Bank of England notes. Others think the proportion is as high as twenty to one, or even fifty to one. (See *Evidence of Lewis Loyd, Esq., and of Mr. Henry Burgess, before the Committee of the House of Lords*, pp. 294, 298.) Mr. Loyd stated he had seen bills of £10 with a hundred and twenty indorsements upon them; and when the stamp duties were lower, bills were drawn of a less amount. He gives the following *criteria* of accommodation bills: — "Bills that are issued for speculation generally travel to London very rapidly, with very few indorsements upon them; they are wanted to be converted into bank-notes immediately, and come quite clean, and without any marks of negotiation upon them; and, besides that, we know the parties upon them pretty well." In Scotland an accommodation bill is called a wind bill.

It may be mentioned, that after the establishment of branches of the Bank of England at Manchester and Liverpool, the bill circulation of Lancashire was considerably diminished. Most of the banks made agreements with the branch bank, stipulating that in consideration of having a certain amount of discount, at a reduced rate of interest, they would not issue for local circulation any bills they had discounted for their customers. These agreements have been modified since the act of 1844; but still the main circulation of Lancashire consists of Bank of England notes. It would not now be possible to find a bill with a hundred and twenty indorsements.

The late Mr. Leatham attempted to calculate the amount of bills in circulation, or, more properly speaking, in existence, during each year. He, through Lord Morpeth, obtained a return of the number of stamps issued from 1835 to 1839 inclusive, and based his calculations on the supposition that each bill was circulated for half the amount which the stamps would cover, which was considerably under the amount. From the experience of his own bank, compared with that of the principal discount offices in London, he found that the average date of bills, including foreign and inland, was three months. He then took the whole stamps for a year and divided them by four, which gave the amount circulating at one time. By a similar induction, he estimated foreign bills at one sixth of the English, though the proportion was rather greater; and he took the

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same average for Irish bills in the years where no official returns had been made. Mr. Leatham's statement is as follows: —

Bill Circulation of Great Britain and Ireland, during the years undermentioned.

	1815.	1824.	1825.	1826-27.
	£	£	£	£
Bill Stamps for Great Britain, creating the sum,	477,493,100	232,429,800	260,379,400	207,347,400
Estimated Irish Bills,	79,582,183	38,736,300	43,396,566	34,557,803
Foreign Bills,	92,845,880	45,194,683	50,629,327	40,317,072
Total,	649,921,163	316,362,783	354,405,293	282,222,305
Average circulation,	162,480,290	79,090,695	88,601,323	70,555,576

The following is a similar return for the years 1835 *to* 1839.

	1835.	1836.	1837.	1838.	1839.
	£	£	£	£	£
British Bills,	294,775,269	355,288,900	333,268,600	341,947,400	394,203,000
Irish Bills,	51,109,061	59,155,607	54,179,165	54,359,464	55,615,722
Estimated amount of Foreign Bills,	57,914,721	69,420,406	65,012,080	66,500,577	75,479,120
Bills created by bankers compounding for Stamps,	1,604,000	2,078,560	2,624,600	2,696,600	3,196,000
Total,	405,403,051	485,943,473	455,084,445	465,504,041	528,493,842
Average circulation,	101,350,762	121,485,868	113,771,111	116,376,010	132,123,460

There are some knotty questions connected with bills of exchange; such as, Ought bills of exchange to be regarded as currency? Have bills of exchange any effect on the prices of commodities? In what way do bills of exchange adjust the foreign exchanges? We have discussed these questions elsewhere; but, as they more appropriately belong to the science than to the practice of banking, we do not introduce them into the present work.

Section VI. — THE ADMINISTRATION OF A BANK WITH REGARD TO THE EMPLOYMENT OF ITS SURPLUS FUNDS.

The means of a London banker consist mainly of his capital and his deposits. A certain portion of this sum is kept in the till, to meet daily demands; another portion is advanced in the way of discounts or loans to his customers. The remainder forms his surplus fund; of which a part will probably be invested in government securities; loans to bill brokers, payable on demand; in short, loans on the stock exchange, or in firstrate bills obtained through the bill brokers, and hence styled brokers' bills. The government securities are the more permanent of these investments. The amount will seldom vary. It is not deemed creditable for a bank to speculate in the funds, or to buy and sell stock frequently, with a view of making a profit by the difference of price; hence a banker sells his government securities only in a season of pressure, as a means of precaution, or in order to meet urgent demands. On other occasions, he will, when necessary, reduce his short loans or brokers' bills. These form his fluctuating investments. In seasons when money is abundant his deposits will increase, and perchance, at the same time, the demand of his cus-

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tomers for loans or discounts will diminish. His surplus funds will thus increase. But these temporary surplus funds he will on no account invest in government securities, as his deposits will be certainly, and perhaps suddenly, reduced, and he might have to realize his government securities at a loss. He will in this case increase his loans to brokers, and his brokers' bills. And though he will get as much interest as he can, he will take a very low interest rather than keep the money unproductive in his till, or invest it in a more permanent form. We will now take a short review of the different kinds of investment we have mentioned, The three grand points for consideration are, convertibility, exemption from loss, and a good rate of interest. But first we will notice those circumstances which regulate the amount of cash to be kept in the till.

The amount of money which a banker will keep in his till depends upon circumstances. First, the amount of his deposits. It is natural to suppose that when his deposits are large he will keep more money to meet them than when his deposits are small. Secondly, the amount of his daily payments. These will not at all times correspond with the amount of the deposits, for some accounts are more *operative* than others. On commercial accounts, for instance, the payments will be much heavier in proportion to the average balance, than on accounts which are not commercial. The city bankers pay much larger sums every day, in proportion to the amount of their deposits, than the bankers at the West end. Thirdly, if a banker issues notes, he will keep a less amount of other money in his till. The popular opinion is, that he keeps more, as he has to provide payment for his notes as well as his deposits. This is true in seasons of pressure. But in ordinary times he keeps less, as he pays the cheques drawn on account of his deposits with his notes, and these notes often get into the hands of another banker, with whom he settles by a draft on London. His reserve to meet his notes is kept, not in his own till, but in London, where it probably yields him interest. Indeed, when his deposits are withdrawn in large amounts, they are more usually withdrawn by a draft on London than in any other way. Fourthly, the number of the branches. If a bank has many branches, the total amount of cash kept in the tills of the head office and all the branches put together, will be considerably more than would be required if the whole of the business were collected into one place. In the case of a run, the difference is considerable, as every point open to attack must be well fortified. The stoppage of one branch, even for a short time, would bring discredit upon the whole establishment. Fifthly, in London the amount of notes to be kept in the till will be effected by the privilege of clearing. Those bankers that "clear," can pay bills and cheques upon them by the bills and cheques they have upon other bankers. Those banks that do not clear, must pay all the bills and cheques upon them in bank-notes, before they receive payment of the bills and cheques they have upon other bankers. Hence they must lock up every night with a larger amount of cash in their vaults.

We need hardly say, that with every banker the amount in the till will fluctuate from day to day. Though a banker has a certain average amount in his own mind, below or above which he does not swerve very

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widely, yet the cash-book will seldom be exactly this amount. Sometimes he will strengthen his till, in the prospect of large payments that may come upon him suddenly. At other times he will run his till low for a day or two, in expectation of large sums that will shortly be due to him. During the day, too, either the receipts or the payments may be heavier than he expected, and hence, now and then, the cashier reports to the chief clerk, or to the banker, the state of the till, in order that, if necessary, it may be replenished. The temperament of a banker, too, has some effect in this case. Some bankers are so cautious that they will "lock up" with a large amount of cash; others are so anxious to make profit, that they will keep their cash very low. The state of the money market will also influence the tills of the bankers. When money is abundant, a banker will lock up with more money than he wants, because he cannot employ his funds. When money is so scarce as to betoken a pressure, he will also lock up strong, so as to be prepared for any emergency. In fact, there can be no general rule for regulating the amount of the till. Every banker must be guided by the experience of his own bank. The directors of the bank of England consider that their reserve in bank-notes and gold should be equal to about one third of their deposits. From the accounts published by some of the London joint-stock banks, it would appear that the "cash in hand" is equal to about one fifth or one sixth of their liabilities. Even this, we conjecture, is a higher proportion than that which is generally kept by London bankers, especially by those who settle their accounts with each other at the clearing house.

To resume: After a banker has furnished his till, and supplied his customers with such loans and discounts as they may require, he has a surplus of cash. This surplus may be considered as being divided into two parts, — though it is never actually so divided, — the permanent surplus, which the banker is not likely to require, except in seasons of extreme pressure, and the temporary surplus arising from fluctuations in the deposits. We shall now notice those modes of investment to which we have referred.

With regard to government securities, we have high authority from the testimony of practical bankers. The following are quotations given before the Joint-stock Bank Committee, in the year 1836, by the late Vincent Stuckey, Esq., the founder of Stuckey's Banking Company, in Somersetshire, and James Marshall, Esq., the retired secretary of the Provincial Bank of Ireland.

Mr. V. Stuckey: —

"What is your reason for keeping so large a sum in Government stock? — I have always found from my experience, except two days in my life, that I could get money more easily upon those securities than any other.

"Is it easier, in times of emergency, to obtain money on government stock than on good mercantile bills? — I have always found it so.

"You do not concur with any witnesses who state that they have found good negotiable bills more easy to obtain money upon than government stock? — No; I have never found that with a good bill; even of the house of Baring, I could get money more easily than on government stock.

"Do you consider that, generally speaking, in London the rate of interest at which you borrow money on exchequer bills and stock is notoriously lower than that at

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which you borrow on bills of exchange? —Yes, it is lower, and for that reason we generally adopt it."

Mr. James Marshall: —

"Will you inform the Committee whether it is the usage of the Provincial Bank to invest any portion of its funds in the public securities? — It has been its uniform practice so to do.

"By public securities, what do you understand? — The Consols, for instance; there are various kinds of government stock; exchequer bills and Bank of England stock are generally considered as a public sort of security.

"Do you hold stock in London only, or in Dublin as well as in London? — In Dublin, but to a limited amount, because it is not easily convertible there.

"On what ground is it that it is not easily convertible in Dublin? — From the limited nature of the market as compared with London; we could not sell even an immaterial sum without lowering considerably the price.

"Have there not been at various times, from various causes, runs on the Provincial Bank, which rendered it necessary to supply large amounts of specie to that country? — There have repeatedly.

"Do you consider, from your experience, that it would have been competent to the bank to have maintained its full security, with satisfaction to the directors, if they had not been possessed of very considerable funded property in this country? — Certainly not; speaking of the last run that happened especially, I must say that that differed from any former run in this respect.

"You were conversant with the management of the Scotch banks prior to your connection with the Provincial Bank? — Yes.

"Is it not the usage of all the Scotch banks in like manner to maintain a very considerable portion of their funds as invested in the government securities? — I believe the practice with all is generally so, but I can speak particularly to that of the three oldest banks, — as they are commonly called, the three chartered banks. The Bank of Scotland was erected by act of Parliament, the Royal Bank of Scotland and the British Linen Company are erected by charter, but have been recognized in the same way, so that there are three public banks in distinction to any of the subsequently-formed banks. I can state, from personal knowledge, that these banks have had always a very large sum indeed invested in the funded property of the kingdom.

"Do you consider it would be a safe system of banking, if the capital of the bank was altogether invested in commercial bills? — Certainly not."

Of the various kinds of government stock, consols are the best, as there is a more ready market for this kind of stock, and money can usually be borrowed on them until the next account day; so that, if a banker has only a temporary demand for money, he may thus obtain it at a moderate interest, when, by selling his stock at that time, he might sustain loss. The Bank of England has recourse, sometimes, to this mode of strengthening her reserve. Sometimes, too, a banker may make a profit by lending his consols. At the monthly settlings, among the brokers, stock is sometimes in demand, and money may be obtained upon consols, until the next settling, without paying any interest; and the banker may employ the money in the mean time. As, however, the rate of interest is usually low in such seasons, his profit will rarely be great.

It is not advisable, however, that all the stock a banker holds should consist of consols. For a month before the payment of the dividends in January and July, this stock is shut, and during those times he can neither sell his stock nor borrow money upon it. This may be inconvenient, and he can only avoid this inconvenience by selling or lending his consols, just before the shutting, on the best terms he can. To avoid either of these alternatives, it is better he should divide his stock, and hold half the amount in consols, and half in reduced 3, or in the 3¼ per cents.

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The dividends on these latter stocks are payable in April and October, so that by this means the banker will always hold an open stock: when consols are shut, the reduced 3 and the 3¼ per cents. are open, and *vice versâ*. There are no time bargains in the reduced 3 per cents., or in the 3¼ per cents; but in ordinary times money can be borrowed upon them at the market rate of interest. In seasons of pressure these are not so salable as consols. Bank stock, India stock, and long annuities, not being readily convertible, are not generally good investments for bankers.

Some bankers avoid all government stock, and give a preference to exchequer bills. They have some advantages. As the government must pay the amount demanded in March or June, when they become due, there can be no loss beyond the amount of the premium at which they were purchased. A banker, too, can borrow money upon them quietly and secretly. A transfer of stock is always known, and, if for a large amount, will, when money is scarce, excite notice, and give the impression that the banker is compelled to realize some of his securities, to meet demands made upon him by his depositors. But a banker can hand his exchequer bills to a stock-broker, who will bring him the money, and the party who has granted the loan will know nothing about the party for whom it was required. On the other hand, there are some disadvantages. Almost every change in the market value of money affects the price of exchequer bills, and whenever money becomes abundant, the government are very apt to reduce the rate of interest much below that which can be obtained from consols. But a greater objection is, that, even in ordinary times, they are hardly salable in large amounts. There are not now so many exchequer-bill jobbers as formerly, and hence these bills are not so readily salable. On this account, the Bank of England, who were formerly large holders of exchequer bills, have changed their system, and are now holders of stock. The city bankers, too, prefer placing their money with the bill-brokers, to investing it in exchequer bills. But they are still a favorite mode of investment with bankers at the West end.

East India bonds yield a higher interest than exchequer bills, and the interest cannot be reduced till after twelve months' notice from the East India Company. But they are by no means so salable. Money, however, may generally be borrowed upon them; and the loans of the Bank of England are always announced to be granted on "exchequer bills, India bonds, and other approved securities."

Bonds of corporations, or of public companies, are by no means proper investments for a banker, except to a very moderate amount, and when they have a short time to run. They may, however, be taken as security for temporary advances to respectable customers.

Good commercial bills, of short dates, have this advantage over government stock or exchequer bills, that a banker is sure to receive back the same amount of money which he advanced. He can calculate, too, upon the time the money will be received, and make his arrangements accordingly. And if, unexpectedly, he should want the money sooner, the bills can, in ordinary times, be re-discounted in the money market. Another advantage is, that he is able to avail himself of any advance in the current rate of interest. He will get no higher dividend from his investment in

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government stock, should money afterwards become ever so valuable. But with regard to bills, as they fall due he will receive a higher rate of discount with the new bills he may take, and thus, as the market rate of interest advances, his profits will increase.

The bankers of Lancashire usually keep the whole of their reserves in bills of exchange. If they have a "good bill case," that is, a large amount of good bills in their case, they think themselves prepared to meet any emergency. Their objection to government securities is founded, first, upon the low rate of interest which they yield; and, secondly, the possibility of loss, from fluctuations in price. They contend, too, that good bills of exchange are more convertible than even exchequer bills; and, even if not convertible, the money comes back as the bills fall due, and thus the reserve is constantly replenished. The following evidence was given before the Committee on Banks of Issue, in the year 1841, by Mr. Paul Moon James, the Manager of the Manchester and Salford Bank: —

"Do you mean to say that no portion of the capital of your bank is invested in any other security than bills of exchange? — At the present time it is not. In the office, at all times, we have a larger amount than the liabilities of the bank in good bills of exchange. They are coming due every day, and are therefore considered a very eligible investment. It is advantageous to a bank when it is in a position to get that kind of bills.

"Do you consider that bills of exchange may safely be relied upon, as affording the means by which to obtain money whenever you want it? — After a very long experience, I consider that they may be safely relied upon; they have never failed.

"Did you never know them to fail? — I have known exchequer bills to fail, but I have never known bills of exchange to fail. I am alluding to the panic of 1825. I could not sell exchequer bills for several hours at that time.

"You could discount bills? — At that time money was obtained upon bills on the same day on which I could not get money for exchequer bills; and having paid a high premium for exchequer bills, and met with great loss, I have rather an objection to hold them.

"Do you mean to say, that you recollect a day upon which you could obtain money upon bills of exchange, and could not obtain money upon exchquer bills? — I do."

Some of the Scotch bankers, too, seem to be favorable to investments in commercial bills. Mr. Anderson, the general manager of the Union Bank of Scotland, gave the following evidence before the Committee on Banks of Issue, in 1841: —

"Do you consider, in fact, that the holding of a reserve in government securities, gold, and Bank of England notes, independently of the ordinary daily operations of your business, is, or is not essential to the perfect safety of a bank? — I do not think that it is quite essential that they should be government securities. Available securities I should think quite essential; but then comes the question, What is available?

"Are you of opinion that bills of exchange are a proper description of reserve, to be held independently of the other species of reserves that have been mentioned? — I should think so.

"You think that bills of exchange may safely be relied upon at all times? — We have Mr. Gurney's authority for saying so.

"Is there no essential difference between keeping exchequer bills and stock, and keeping bills of exchange as reserves? — If the bills of exchange are perfectly well secured, I should think not, so far as the safety of the bank is concerned."

The authority of Mr. Samuel Gurney, from his high standing in the city, is so constantly referred to upon this subject, that we copy his evi-

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dence. It was given before the Committee on Joint-stock Banks, in the year 1836; previous, of course, to the passing of the act of 1844.

"Would not the result from that opinion be, that a properly conducted establishment, whether a private or a joint-stock bank, should have some government securities or exchequer bills on which always to rely as a resource in a moment of such emergency? — Experience has shown that it is not needful; bills of exchange are quite as good a security to hold in time of difficulty as exchequer bills or stock; in most respects very much better.

"Cannot you conceive a state of things in the money market — a state of mercantile discredit, for instance — when it might be possible to procure money on government securities, when it could not be procured on private security in the shape of bills? — Such difficulty may possibly exist under very peculiar circumstances; but I repeat my opinion, that bills of exchange have proved themselves to be a better investment for bankers than stock or exchequer bills.

"It is quite intelligible why, in ordinary times, bills of exchange should be a preferable investment for money, inasmuch as there is no risk of loss by variation of premium in the purchase and resale; but would you wish the committee to suppose that in the case supposed by the question, of a great degree of mercantile discredit and doubt, an amount of exchequer bills would not be a more certain security on which to raise money than the bills of private merchants? — That is a difficult question to answer: I doubt it.

"Supposing a period of difficulty to arise, and two country bankers came up to London, one who could exhibit government stock to the extent of £25,000, and £25,000 in bills of exchange, and the other banker exhibiting £50,000 in bills of exchange only, which do you think would have the best means of procuring accommodation in the London market to pay his engagement? — My apprehension is, that they would both get their supplies upon any particular emergency; it is my judgment, that to a banker a good supply of bills of exchange of first-rate character is a better investment for his funds, for which he is liable to be called upon on demand, than exchequer bills or any government security."

A London banker never considers as a part of his reserve the bills he has discounted for his customers. Nothing could damage his credit more than any attempt to rediscount these bills. During the war, the London bankers had discount accounts with the Bank of England; and during the panic of 1825, it is well known they discounted largely with that establishment. But since that period they have not done so, and their indorsements are never seen in the money market. The practice is now more general of lodging money at call with the large money dealers. And it is in this way that the London bankers make provision for any sudden demand. It is rarely, however, that any large demand comes so suddenly as to occasion any inconvenience. And it may be observed, that such bankers as are members of the Clearing-house have the whole day to make preparation, — one of the circumstances which enables them to lock up at night with a smaller amount of cash.

In the morning the banker looks at his "Cash-book," and observes the amount with which he "locked up" the preceding night. He then looks at the "Diary," which contains his receipts and payments for that day, as far as he is then advised. He then opens the letters, and notices the remittances they contain, and the payments he is instructed to make. He will learn from these items whether he "wants money," or has "money to spare." If he wants money, he will "take in" any loans that may be falling due that day, or he may "call in" any loans he may have out on demand, or he may go further, and borrow money for a few days on

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stock or exchequer bills. Should he have money to spare, he will, peradventure, discount brokers' bills, or lodge money on demand with the bill-brokers, or lend it for fixed periods upon stock or exchequer bills. There are some bill-brokers who usually make their rounds every morning, first calling on the parties who supply them with bills, and then calling on the bankers who supply them with money. The stockbrokers, too, will call after "the market is open," to inform the banker how "things are going" on the Stock Exchange, what operations are taking place, and whether money is abundant or scarce "in the house"; also what rumors are afloat that are likely to affect the price of the funds. It is thus that a banker regulates his investments, and finds employment for his surplus funds.

In our opinion, it is best for a banker not to adopt exclusively any one of the investments we have noticed, but to distribute his funds among them all. We have seen that practical bankers of high standing have been in favor of government securities, as being at all times convertible. The objection on the part of others has been, that the value of these securities very much fluctuates, and as their realization will be required only in seasons of pressure when the funds are low, it is sure to be attended with loss. On the other hand, it may be stated, with regard to "loans on demand," that the recent failures of bill-brokers have shown that the "demand" may not always be readily met. And with regard to "brokers' bills," the numerous failures among houses of the first standing have proved that great losses and most inconvenient "locks-up" may occasionally take place from such securities. Without condemning other modes of investment, we are strongly inclined to favor government securities, though fully conscious of the losses they may occasionally produce. There is one consideration that must be taken into account: a bank that has large surplus funds, if it makes no investments in government securities, will be strongly tempted to invest their funds elsewhere in other securities that may not be so convertible. It is true that more interest may for a time be obtained, but ultimately the bank may, though in a state of perfect solvency, be compelled to stop payment from being unable to realize its investments.

Another advantage of a large investment in government securities is, that the bank, by the publication of its balance-sheet, has always the means of showing to its depositors that a large portion of its deposits is at all times amply secured. The Bank of England states the amount of their "government securities" distinct from the "other securities." It may so be that the "other securities" are as good as the government securities, and perhaps more profitable, but the public do not know that to be the case; and were all the investments in "other securities," they might not feel the same degree of confidence as to the prompt repayment of their deposits. The same principle applies to other banks. And it may reasonably be supposed that between two banks in similar circumstances as to other respects, depositors would rather lodge their money in a bank which had a large amount of government securities, than in one which had none.

As we have referred in this section to some of the operations of the

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Stock Exchange, this may be a proper place to discuss the nature of these transactions, so far at least as concerns bankers.

The reader is of course aware that the "Stocks," or the "Funds," or by whatever other name they may be called, are debts due from the nation to those persons whose names are entered on the bank books. The man who holds £ 100 consols is a creditor to the nation for £ 100, for which he receives £ 3 per annum; and the price of consols is the amount of the money for which he is willing to transfer this debt from himself to another person. Now, if this man knows another who is willing to give him, say £ 90 for this £ 100 consols, they can go to the bank, and the seller, being properly identified, will transfer this £ 100 consols into the name of the person to whom he has sold it. His account is then closed in the bank books, and a new account is open in the name of the buyer; for every holder of stock has an account in the bank ledger, in the same way as bankers and merchants open ledger accounts for their customers. The seller of the stock will also give a receipt to the buyer for the money in the following form: —

Consolidated £ 3 *per Cent. Annuities* _____

Dividends due Jan. 5th, July 5th, and are usually paid a few days after.

Transfer Days, Tuesday, Wednesday, Thursday, Friday.

Holidays excepted.

RECEIVED this day of 184 of

the sum of

being the Consideration for

Interest or Share in the Joint Stock of *Three per Cent. Annuities*, erected by an Act of Parliament of the 25th Year of the Reign of King GEORGE II., entitled, *An Act for converting the several Annuities therein mentioned, into several Joint Stocks of Annuities, transferable at the* BANK of ENGLAND, *to be charged on the Sinking Fund; and by several subsequent Acts*, together with the Proportional Annuity at £ 3 *per Cent. per Annum*, attending the same, by this day transferred to the said

Witness Hand

Witness

☞ The Proprietors, to protect themselves from FRAUD, are recommended to ACCEPT by themselves or their Attornies, all TRANSFERS made to them.

£ s. d.

But parties do not usually treat with each other in this way. A broker is employed either to buy or to sell, as the case may be. The stock-brokers are an association consisting of about six hundred persons, who meet together in a building in Capel Court, Bartholomew Lane, close to the Bank. Each broker before admission must find three securities for

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£300 each, which sum is applied to meet any claims the other members of the "House" may have upon him during the first two years. The suretyship then ceases. The subscription paid by each member is ten guineas per annum. The House is governed by a committee of thirty persons chosen from the members.

But although all the "members of the House" are called stock-brokers by the public, yet within the House they are divided into two classes, brokers and jobbers. A broker, as the name implies, is an agent who buys or sells for his customers out of the House, and he charges them a commission upon the amount of the stock. A stock-jobber is a stock merchant; but he does not deal with the public; he deals only with the brokers; and he is at all times ready either to buy or to sell. The price at which he sells is $\frac{1}{8}$ more than the price at which he buys. If one broker has an order from his customer to buy £100 consols, and another broker has an order to sell £100 consols, these two brokers do not deal together, but both go to a jobber. One will sell his consols to the jobber, say at 90, and the other will buy his consols from the jobber at $90\frac{1}{8}$. Hence the difference between the buying and the selling price of consols is always $\frac{1}{8}$, and thus in the newspapers the price is quoted in this way, 90 to $90\frac{1}{8}$.

A banker is, of course, one of the public, and when he wants to buy or to sell stock, he gives instructions to his broker, and the process is as we have now described.

Were there no jobbers, a broker would not easily find at all times another broker who had occasion to sell the same amount of stock which he wished to buy, and he would have a difficulty in buying or selling small amounts. But there is no difficulty with the jobbers. The jobbers will not only buy and sell stock on the same day, but they will buy stock on one day, and agree to sell it at a future day, or *vice versâ*. These future days are called the settling days, being the days on which the members of the House settle their accounts. They are fixed by the Committee of the Stock Exchange, and they now occur about once a month. Now, if a banker wants a sum of money for a short time, either to pay off a deposit or to make an advance to a customer, he will direct his stock-broker to sell, say £50,000 consols "for money," and buy them "for time," that is, against the next "settling day," or, as it is sometimes called, the next "account day." On the other hand, if a banker has money he wishes to employ for a short time, he will reverse the operation, and desire his broker to buy consols for money and sell them for time. He thus gets interest for his money, according to the difference of price between consols for time and consols for money. Generally, the price for time is higher than the price for money; and the difference between these two prices is called the "Continuation." Supposing that the next settling day is a month distant, and the continuation is one eighth per cent., that amounts to twelve eighths, or three per cent. per annum. The continuation will vary according to the near approach of the settling day, according to the abundance of money and the market rate of interest, and according to the abundance or scarcity of stock. The last cause is not so readily understood by the public, and we will therefore explain it. The

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stock-jobbers, as we have said, are stock merchants. Of course they are large holders of stock; it is their capital, on which they trade. But however large may be the sum they hold, they often agree to sell on the next settling day a much larger sum, expecting that in the mean time they shall buy a large sum, and thus be able to set off one against the other. But sometimes, as the settling day approaches, they find this is not the case, and they are consequently under an engagement to "deliver," that is, sell, more stock than they hold. What can they do now? They will try to get stock from those who have it, by agreeing to buy it of them *now*, and selling it at the ensuing account day, a month hence, at the same price; thus abolishing the "continuation." When that is the case, a banker's broker will go to the banker and say, "If you like to lend your consols, you can get money for nothing till the next account day." The banker replies, "Well, I don't know that I can make much interest of the money just now; but, as I can lose nothing, you may lend them." Thus the jobbers get their stock, and complete their engagements. But sometimes the jobbers are obliged to go further, and even to offer a premium to parties who will lend their consols. This premium is called "Backadation"; it is just the reverse of "continuation," and implies that the time price of stock is less than the money price.

We have thus described the legitimate operations of the Stock Exchange, so far as it may be necessary to explain the transactions of bankers in the employment of their surplus funds. Those operations called "Gambling in the Funds," and the mode in which the brokers and jobbers settle their accounts, we shall endeavour to describe when we come to speak of the Clearing-house. We will only add here the name and amount of each of the government stocks and annuities, as they stood on the 5th of January, 1848.

Capital Stock of the Unredeemed Debt of the United Kingdom, on 5th January, 1848.

GREAT BRITAIN.	£	s.	d.
Debt due to the South Sea Company, at 3 per cent.,	3,662,784	8	6½
Old South Sea Annuities, ditto,	3,195,160	17	9
New South Sea Annuities, ditto,	2,195,867	16	9
South Sea Annuities, 1751, ditto,	500,780	11	9
Debt due to the Bank of England, ditto,	11,015,100	0	0
Bank Annuities, 1726, ditto,	750,404	18	6
Consolidated Annuities, ditto,	371,824,981	15	11¼
Reduced Annuities, ditto,	121,924,219	8	7
Total at 3 per cent.,	515,069,299	17	9¾
Annuities at 3¼ per cent.,	215,700,549	5	1
New 5 per cent. Annuities,	430,076	3	2
Total, Great Britain,	731,199,925	6	0¾
IRELAND.			
Irish Consolidated Annuities, at 3 per cent.,	6,194,874	15	2
Irish Reduced Annuities, ditto,	128,295	16	9
Annuities at 3¼ per cent.,	32,244,312	10	9
Debt due to the Bank of Ireland, at 3½ per cent.,	2,630,769	4	8
New 5 per cent. Annuities,	3,673	11	2
Total, United Kingdom,	£772,401,851	4	6¾

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The ANNUAL CHARGE on the NATIONAL DEBT was then as follows: —

	GREAT BRITAIN. £	s.	d.	IRELAND. £	s.	d.
Interest on unredeemed debt, . .	22,483.850	13	1¼	1,329,895	17	6
Annuities of all kinds falling due, .	3,685,696	6	5	160,394	2	1
	26,169,546	19	6¼	1,490,289	19	7
Management, . . .	93,826	11	10	—		
Total, ...	26,263,373	11	4¼	1,490,289	19	7
Grand Total, . .	£27,753,663	10	11¼			

This is exclusive of £71,971 2*s*. 9¾*d*., the annual charge on stock and annuities of various kinds, standing in the names of the Commissioners, on account of stock unclaimed for ten years and upwards, and of unclaimed dividends, and also on account of donations and bequests, but which sum is not paid or provided for.

SECTION VII. — THE ADMINISTRATION OF A BANK DURING A SEASON OF PRESSURE.

A PRESSURE on the money market may be defined a difficulty of getting money in the London market, either by way of discounting bills, or of loans upon government securities. This difficulty is usually accompanied by an unfavorable course of exchange, a contraction of the circulation of the Bank of England, and a high rate of interest. These three circumstances have the relation to each other of cause and effect. The unfavorable course of exchange induces the Bank of England to contract her circulation; and the contraction of the circulation, by rendering money more scarce, increases its value, and leads to an advanced rate of interest. The removal of the pressure is in the same order, — the foreign exchanges become favorable, the Bank of England then extends her circulation, money becomes more abundant, and the rate of interest falls. The degree to which the exchanges are unfavorable is indicated by the stock of gold in the Bank of England; and when this is at its lowest amount the pressure may be considered to have attained its extreme point; for as the amount of gold increases, the bank will extend her circulation, and the pressure will subside. (*An Inquiry into the Causes of the Pressure on the Money Market during the year* 1839, by J. W. Gilbart.)

If we take a review of all the recent pressures on the money market, we shall find they have always been preceded by the following circumstances. First, by abundance of money; secondly, by a low rate of interest; thirdly, by some species of speculative investments. The principal pressures that have occurred of late years, have been those of 1825, 1836, 1839, and 1847.

The following is Mr. Horsley Palmer's opinion of the causes of the pressure of 1825, as stated to the Bank Committee of 1832: —

"Will you state to the committee what, in your opinion, was the nature and the march of the crisis in 1825? — I have always considered that the first step towards the

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excitement was the reduction of the interest upon the government securities. The first movement in that respect was, I think, upon £135,000,000 of five per cents., which took place in 1823. In the subsequent year, 1824, followed the reduction of £80,000,000 of four per cents. I have always considered that reduction of interests, one fifth in one case and one eighth in the other, to have created the feverish feeling in the minds of the public at large, which prompted almost every body to entertain any proposition for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgment of South American republics by this country, and the inducements held out for engaging in mining operations, and loans to those governments, in which all classes of the community in England seem to have partaken almost simultaneously. With those speculations arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and creating an unfavorable foreign exchange, which continued from October, 1824, to November, 1825, causing a very considerable export of bullion from the bank, — about seven millions and a half. Commercial speculations had induced some bankers, one particularly, to invest money in securities not strictly convertible, to a larger extent than was prudent; they were also largely connected with country bankers. I allude to the house of Messrs. Pole & Co.; a house originally possessed of very great property, in the persons of the partners, but which fell with the circumstances of the times. The failure of that banking-house was the first decisive check to commercial and banking credit, and brought at once a vast number of country bankers, which were in correspondence with it, into difficulties. That discredit was followed by a general discredit throughout London and the interior." — p. 47.

With regard to the pressure of 1836, there was in the beginning of that year no appearance of distress; but, on the contrary, every symptom of prosperity, attended by its usual concomitant, a readiness to engage in speculative undertakings.

The following description of this period is taken from the speech of Mr. Clay, on introducing his motion respecting Joint-stock Banks, May 12, 1836: —

"To what extent the operations of the joint-stock banks may have contributed to create the present state of excitement in the commercial world, must, of course, be mere matter of conjecture. That they have had some considerable influence is probable, from the fact that the excitement and rage for speculation is greatest in those parts of the kingdom where the operations of those establishments have been most active. London has been comparatively unmoved, but Liverpool and Manchester have witnessed a mushroom growth of schemes, not exceeded by the memorable year 1825. I hold in my hand a list of seventy contemplated companies for every species of undertaking, which have appeared in the Liverpool and Manchester papers within the last three months. This list was made a fortnight or three weeks since, and might probably now be considerably extended. It is impossible also, I think, not to suspect that the facility of credit, and consequent encouragement to speculation, to which I have alluded, cannot have been without its effect in producing the great increase of price in almost all the chief articles of consumption and raw materials of our manufactures. That increase has been enormous, — not less than from twenty to fifty, and even one hundred per cent. in many of the chief articles of produce, of consumption, and materials of our manufactures."

These appearances continued with little alteration until the month of July, when the Bank of England raised the rate of discount to four and a half per cent. It then became known that there had been a demand upon the bank for gold from the preceding April, and this measure was adopted by the bank as a means of rendering the foreign exchanges more favorable. This being found ineffectual, the bank in September raised the rate of discount to five per cent. Besides raising the rate of interest, the bank adopted other measures of increasing the value of money. A large

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amount of American bills upon first-rate houses had been offered for discount and rejected. A high degree of alarm was immediately spread throughout the community. The dread of a panic similar to that of 1825 almost universally prevailed. Those who had money were unwilling to part with it; trade became suddenly stagnant; the prices of all commodities fell considerably; and numbers of commercial houses, chiefly of the second class, suspended payment. Many railway and other projects now fell into oblivion.

The alarm that existed was kept up by the monthly accounts of the bullion in the Bank of England. The public returns showed a gradual decline from April, 1836, to February, 1837. It was therefore supposed, that the Bank of England would be under the necessity, for her own safety, of still further contracting her issues, and thus increasing the existing pressure. This apprehension caused all persons who had money to retain it in their possession, and bankers and others withheld accommodation they would otherwise have been disposed to grant.

This state of alarm was considerably augmented by the publication of the Report of the Secret Committee of the House of Commons upon Joint-stock Banks. This committee had been appointed on the motion of Mr. Clay, the Member for the Tower Hamlets, whose speech on the occasion might be termed a bill of indictment. The joint-stock banks had rapidly increased; they had issued small shares; they had large nominal capitals; they had circulated an excessive amount of notes; they had promoted speculation. These were the charges brought against them; and they had greater weight, from being advanced by a member who was known to be friendly to joint-stock banking. The report of the committee appeared to sustain all Mr. Clay's accusations. This report was highly creditable to the talents and industry of the committee, but marked by a decided hostility of tone. While it enumerated all the actual or possible imperfections of the joint-stock banks, it ascribed to them scarcely a single excellence. At the same time, the committee deferred to the succeeding session the proposal of any measures for their improvement; thus the public were led to suppose, that in the following session some astringent measures would be adopted with reference to joint-stock banks, but what they would be none could conjecture.

Had the report appeared at any other period it might possibly have done good; but as its appearance was contemporaneous with a pressure on the money market, and a high state of alarm, it unquestionably tended to weaken public confidence at a time when it required to be strengthened. Persons who were unfriendly to joint-stock banks seized the opportunity of dispraising them, and believed, or pretended to believe, that the banks were unsound, and would certainly stop payment. Others, who were friendly, were apprehensive that the banks, being still in their infancy, would be found too weak to withstand the storm now raised against them. But though this alarm began with respect to joint-stock banks it did not end there. It was soon foreseen that if a few joint-stock banks were to stop payment, the private banks in their neighbourhood would be put to a severe trial; and if the banks should even be compelled to withhold their usual advances to their customers, the credit of individuals must suffer.

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Hence the private bankers and the merchants, as well as the joint-stock banks, made preparations to meet any event that might occur, and by thus increasing the pressure on the London money market occasioned still further apprehensions.

The alarm was augmented by the stoppage of the Agricultural and Commercial Bank of Ireland in the month of November, and the demand for gold which that stoppage occasioned in Ireland. The joint-stock banks of England now became subject to increased suspicions; the accommodation they had been accustomed to obtain by the rediscount of their bills in the London market was considerably restricted; and in the beginning of December, the Northern and Central Bank at Manchester, a bank having a paid-up capital of £800,000, with above 1,200 partners, and forty branches, applied for assistance to the Bank of England. This was afforded upon condition, in the first instance, that they should wind up all their branches except that at Liverpool; and afterwards further assistance was granted, upon condition they should discontinue business after February, 1837. Soon afterwards, the old and respectable London banking-house of Messrs. Esdaile & Co. received assistance upon similar terms.

The pressure which existed in England rapidly extended to America. A large amount of American securities, consisting chiefly of bonds of the respective States, had been remitted to the agency houses in England. This circumstance, in connection with the exportation of gold to America, attracted the notice of the Bank of England. A large amount of bills drawn from America upon first-rate London houses was rejected. In America the pressure became severe; money was wanted to remit to England to meet the drafts that had been drawn upon England, either upon credit or against securities that could not now be sold. The rate of discount at New York rose to two, and even to three per cent. per month.

From the pressure upon the money market, and from the great fall in the price of American produce, the cotton and other commodities sent from America to meet drafts upon the English agents could not be sold except at a ruinous loss. And other remittances not having arrived, several houses in the American trade, who were said to have given extensive credit to parties in America, applied for assistance to the Bank of England. (*The History of Banking in America; with an Inquiry how far the Banking Institutions of America are adapted to this Country; with a Review of the Causes of the recent Pressure on the Money Market.* By J. W. Gilbart. 1837.)

Such was the character of the pressure of 1836. We next proceed to the pressure of 1839. The pressure of 1836 may be said to have commenced from the month of May in that year. From that month the stock of gold in the bank gradually and uniformly declined until February, 1837, when it reached its lowest point of depression. From this point it uniformly advanced: the lowest point of the circulation was in December, 1836, though even then it was not lower than it had been in the preceding January. The bank raised the rate of interest from four to four and a half per cent. in July, and to five per cent. in the following Sep-

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tember. During the whole of the year 1837, the amount of gold in the Bank of England continued to increase; the bank extended her circulation, and after the payment of the July dividends, money became very abundant, and the market rate of interest experienced a considerable fall. The foreign exchanges continued to be favorable during the early part of 1838, and gold accumulated in the coffers of the Bank of England. In the spring of that year the directors of the Bank of England sent nearly a million of gold to America. Money became increasingly abundant, and the rate of interest fell. In February the bank reduced their rate of discount to four per cent., and the interest on the loans granted during the shutting of the funds was reduced in March to three and a half per cent. The low rate of interest caused large sums of money to be invested in American securities. Bonds of all kinds issued by the Bank of the United States, by the various States in the Union, and by numerous private undertakings, were poured upon the English market, and found eager purchasers. Several of the directors of the Bank of England, in their individual character as merchants, became agents for the distribution of these securities. About July the exchanges became unfavorable, and in the latter part of the year some symptoms of uneasiness were apparent in the money market; but as the stock of bullion in the Bank of England was considerable, and the directors granted their usual loans in December at three and a half per cent., public confidence was not shaken. In the beginning of the year 1839 the exchanges became increasingly unfavorable, and the monthly returns of the bank showed a gradual diminution in the stock of gold. The price of corn rose so high as to admit of foreign wheat at the lowest rate of duty. This occasioned a further demand for gold to be exported. The stock of gold in the Bank of England rapidly declined, until, in the month of October, it was no more than £2,525,000, while the liabilities of the bank upon notes amounted to £17,612,000, and upon deposits to £6,734,000. The bank directors were very anxious to stop this demand for gold. With this view they raised the rate of interest on May 16th to five per cent., on June 20th to five and a half per cent., and on August 1st to six per cent.; and they charged the same rate upon their short loans. They are supposed to have sold large amounts of government stock and exchequer bills, and on July 13th they announced that they were ready to receive proposals for the sale of the dead weight. None of the offers, however, met their approbation. Finding these measures not speedily effective, an arrangement was made with the Bank of France for a loan of £2,500,000. Messrs. Baring & Co. drew bills on account of the Bank of England upon houses in Paris for this amount, which the Bank of France undertook to discount. The directors also determined to refuse to discount any bills drawn or indorsed by any private or joint-stock bank of issue. Notwithstanding these measures, the stock of gold in the bank continued to decrease until the 18th of October, when it reached the lowest point of depression. From this point it continued to advance, and the pressure began gradually, but slowly, to subside.

It may be useful to notice the differences between the pressure of 1836 and that of 1839. If we measure the intensity of the pressure by the difference between the largest and the lowest stock of gold in the

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Bank of England, the former pressure will range from £7,801,000 to £4,032,000, and the latter from £10,126,000 to £2,525,000. In the pressure of 1836, one joint-stock bank, a London private bank, two country private banks, three large American agency houses, and a great many respectable merchants, stopped payment. In the pressure of 1839, there was scarcely a failure until the month of December, and then only among the second class of traders. In the pressure of 1836, the prices of nearly all commodities fell considerably, and almost immediately. In the pressure of 1839, the prices of most commodities remained for a length of time nearly the same. In 1836, the Bank of England did not raise their rate of interest above five per cent. In 1839, the rate of interest upon both discounts and loans was raised to six per cent. In 1839, the bank gave notice that they were willing to sell the dead weight, and they made arrangements for borrowing £2,500,000 sterling from the Bank of France. In 1836, the bank adopted neither of these measures. In 1836, the Bank of England rejected all bills drawn or indorsed by joint-stock banks of issue. In 1839, they rejected also all bills drawn and indorsed by private banks of issue. (*An Inquiry into the Causes of the Pressure of* 1839.)

The consideration of the pressure of the year 1847 we shall postpone to the next section of our work.

From the statements we have made, it would appear that a season of pressure is always preceded by one of speculation; and hence it follows that a banker who wishes to be easy in a time of pressure must act wisely in the previous season of speculation. It requires no ordinary firmness to do this. To act wisely in a season of speculation is far more difficult than to act wisely in one of pressure. But unless a banker act wisely in the previous time of speculation, his wisdom will probably be of little avail when the pressure arrives.

While, therefore, money is still abundant, the public funds high, and other bankers liberal in accommodation, he should be doubly cautious against taking bills of a doubtful character, or making advances upon irregular securities. He should not suffer the desire of employing his funds, or the fear of offending his customers, to induce him to deviate from sound banking principles. He should also take this opportunity of calling up all dead or doubtful loans, and of getting rid of all weak customers. He should also, under any circumstances, avoid making advances for any length of time, and investments in securities that are not at all times convertible, or the price of which is likely to sustain a great fall on the occurrence of a pressure. The discount of first-rate commercial bills having a short time to run, or short loans on stock or other undeniable security, however low the interest received, seem to be the most safe and advantageous transactions.

When the aspect of affairs seems to threaten that money will be still more in demand, and the failure of a number of merchants and traders may consequently be apprehended, it behoves him to prepare for approaching events by avoiding all discounts of bills of an inferior class, and by keeping his funds in an available state. With a view to these objects, he will review all his loan and discount accounts, call up his loans of long standing, where it can be done without injury to the interest or reputation

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of his bank, avoid all overdrawn accounts, and reduce the amount of discounts on the inferior class of accounts. In performing these operations, he will exercise due judgment and discretion, making proper distinctions between his customers, and reducing chiefly those bills which are of an unbusiness character, or which are drawn upon doubtful people, or upon parties that he knows nothing about; he will also mark particularly those accounts which require large discounts, but keep no corresponding balance to the credit of their current accounts.

As the pressure advances, he will find that there are three demands upon his funds. First, his customers will reduce their balances, and keep less money in his hands. Money lodged at interest will be taken away, because the parties can make higher interest elsewhere, or they will be tempted by the low price of stock to invest it in government securities. Secondly, he will have a greater demand for loans and discounts, not merely from weak people whom he might not care about refusing, but from persons of known wealth, whom it is his interest and his inclination to oblige. Thirdly, he will think it prudent to guard against sudden demands by keeping a larger amount of bank notes in his till. To meet all these demands, he will he compelled to realize some of his securities, and he will realize those first on which he will sustain no loss.

If a banker has money lying at demand with a bill-broker, he will now have occasion to call it in. If he has money lent at short periods at the Stock Exchange, he will, as he has occasion, take in the money as the loans fall due. If he has discounted brokers' bills, he will receive the amounts when due, and discount no more. Should these operations not be sufficient to meet the demands upon his funds, he will then sell his stock or exchequer bills, or borrow on them in the money market. A country banker who has kept his reserve in bills of exchange will be anxious to rediscount them, and will think himself lucky if he can do so readily and at a moderate rate of interest.

It will be useless for a banker to attempt to call up dead loans, or to reduce his discounts, after the pressure has commenced. He should have thought of these matters in the previous season of abundance. As he cannot get in any outstanding advances, he had better not ask for them, but merely charge the parties an increased rate of interest. If he demand the money, he will not get it, and he may give rise to a surmise that he is short of funds. This season of pressure is, however, a good opportunity for calling up advances, or getting rid of connections that he would, on other grounds, like to be without. The "scarcity of money," the "pressure on the money market," are capital reasons to assign for refusing applications which, even otherwise, he would refuse, and for calling up loans which, under any circumstances, he would like to see repaid.

During a pressure, a banker will have to give a great many refusals, and some discretion will be necessary in the form of giving these refusals. Let him refuse in what way he may at such a season, he will be sure to give offence. And the party refused will possibly publish the refusal, and, from motives of ignorance or malignity, represent the refusal as having arisen from want of means, and possibly may circulate a report that the banker is about to stop payment. Hence rumors about banks are always

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rife in seasons of pressure, and they add to the general want of confidence which then prevails.

During a pressure, a banker will have offers of new accounts to be transferred from other bankers, provided he will consent to make certain advances. Some caution must be exercised in this matter. It is quite possible that some perfectly safe parties, having large accounts, may be disposed to remove in consequence of their present bankers not being equal to the supply of their wants. In this case, the banker will be regulated by the value of the proposed account, and the extent of his own means. On the other hand, it is equally possible that weak people, to whom their present bank might not, in any case, have given advances, may use the "scarcity of money" as a pretext for making application to a new banker, stating their belief that their old banker was unable to meet their requirements. It behoves a banker to use much discretion in such a case, especially if it be a large account. If he errs at all, he should err on the side of caution.

It will rarely be wise for a banker in a season of pressure to attempt to get away the customers of other bankers by offering them greater accommodation. The best way of getting new connections is to treat well those that he has. It is better for a banker to employ his funds in supporting his old friends than in attempting to get new ones. If his funds are so ample that he can do both without inconvenience, very well. But caution is necessary in taking new accounts at this time, and he should be doubly cautious in making applications to parties. Unless he has the most ample and satisfactory information as to their circumstances, he had better wait until they apply to him. It would then devolve upon them to satisfy him that he would be justified in making the advances required.

During the pressure, a banker will find that some of his wealthier customers, who, when money was abundant, took their bills to be discounted by a bill-broker, because he would cash them at a lower rate, will come back, and expect to have discounts from their banker. This is no fault of the bill-brokers. People put money in their hands avowedly for temporary purposes. In seasons of abundance the bill-brokers are glutted with money. When the pressure commences this money is withdrawn. The consequence is, that in seasons of abundance the bill-brokers will discount at a lower rate than the bankers, and when money is scarce they discount at a higher rate, and in many cases not discount at all. Sharp-sighted people, who are acquainted with the London money market, will, when money is abundant, take all their first-rate bills to a bill-broker, and send to their banker all their inferior bills, which a bill-broker would not take. Now, if a banker has occasion to curtail his advances in seasons of pressure, he should begin with people of this sort. But if he has ample means, and the parties are wealthy, he may deem it worth his while to take their bills, charging a high rate of interest, and gently reminding them of their former delinquencies. Exhortations to good behaviour have always a greater effect when administered in seasons of affliction. And reproof at this time to a party who had thus wandered, may induce him to pursue in future a more righteous line of conduct.

During a pressure, a banker will find that some of his customers will

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get into difficulties, and will apply to him for assistance. He will often be at a loss to decide whether he should or should not grant the assistance required. This hesitation will arise from his doubts as to the extent to which he can prudently rely upon the calculations and anticipations of his customer. The party states that he must immediately stop payment unless he has assistance; but he has abundance of property, and his difficulties arise only from not being able to realize it. If he has a certain sum he can then go on comfortably. The banker grants him this sum. After a while, he comes again, and states he must now stop unless he has a further sum. The banker hesitates, but ultimately gives him this further sum. He comes a third time, and states he has not yet got enough; and not being able to get more, he then stops, leaving the banker at best with a large lock-up, and probably with an ultimate loss.

During a pressure, those banks that allow interest on deposits will be asked for a higher rate of interest. It is quite right that those parties who have had deposits at the bank for some time, should receive a higher rate of interest, proportionate to the increased value of money. But it may be questioned whether it is worth while to receive further lodgments, during a pressure, at a high rate of interest, unless they are lodged for a fixed period. For, should the pressure increase, these sums are sure to be withdrawn, or else applications will be made for a higher rate of interest than the banker can prudently give. Nor must it be forgotten that it is not wise for a banker to give, during a panic, an extravagant rate of interest. Should he do so, he will give rise to an opinion that he is short of funds, and this may cause more deposits to be withdrawn than he would obtain from his high rate of interest.

During a pressure, a banker will pay considerable attention to the published returns of the Bank of England. The increase or diminution of the gold and silver in the issuing department will show the progress of the pressure. As these increase, money will become less scarce, the rate of interest will fall, and the pressure will subside. In this department, it is the progress of increase, or diminution, more than the actual amount, that should be the main object of attention. The banking department resembles any other bank. Its means are the paid-up capital, the real or surplus fund, the public deposits, the private deposits, and the seven-day bills. These means are employed in public securities, private securities, and cash in the till. Its ability to make advances, at any given time, depends on the amount of cash in the till. The diminution of this amount shows the increase of the pressure, and the banker will act accordingly.

As far as past experience goes, all panics or pressures have resulted in a subsequent abundance of money. It would be a grand thing for a banker if he could know beforehand at what precise point this change would take place. But this he cannot know, and he had better not speculate on the subject, but just follow the course of events as they occur. When, however, the point is fairly turned, he will act wisely in investing all his surplus funds in such convertible securities as are likely to advance in price, from the increasing low rate of interest. Exchequer bills are most likely to be the first affected, and then the public funds. He will, also, be more liberal in granting discounts, and other advances, and he

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will lower the rate of interest at which he takes deposits. At the same time he will be cautious in the bills he discounts. For, though money may be abundant, yet trade may be depressed, and the effects of the previous panic may be the failure of a great number of persons in the middle class of society. The banker will therefore be cautious in extending his discounts, except on bills of an undoubted character.

We will observe, lastly, that, in a season of pressure it is peculiarly necessary that a banker should pay regard to the state of his own health, and to the discipline of his own mind, so as to guard against any morbid or gloomy apprehensions with regard to the future. He should attempt to form a cool and dispassionate judgment as to the result of passing events; endeavouring so to arrange his own affairs as to be prepared for whatever may occur, but taking care not to increase the present evil by predicting greater calamities. If he suffer a feeling of despondency to get the mastery of his mind, he will be less able to cope with the difficulties of his position. He will then, probably, refuse reasonable assistance to even first-rate customers, realize securities unnecessarily at a heavy sacrifice, and keep in his till an amount of unemployed treasure excessively disproportionate to the extent of his liabilities. This will increase the pressure. Fear, too, is always contagious. A banker of this melancholy temperament will impart his apprehensions to others, and thus the panic will become more widely extended.

Section VIII. — THE ADMINISTRATION OF A BANK UNDER THE ACT OF 1844.

It would not be consistent with the practical character of this work to discuss, at great length, any theory of the currency. But the Act of 1844, though founded on a theory, was a practical measure, and has so important a bearing on the administration of banking affairs, that our work would be regarded as incomplete were the subject altogether omitted. We shall, however, endeavour to avoid any observations on its theory, and confine our remarks, as much as we can, to the operation of its practical enactments. In this part of our work it will be necessary to consider only those provisions of the Act which refer to the issue of notes by the Bank of England: those which refer to the country circulation will more properly come under review in the section upon Country Banks. It may also be proper to remark, that, in our judgment, the Act of 1819 has no necessary connection with the Act of 1844; nor would there be any inconsistency in advocating the one and not advocating the other. (*Commons*, 3,409.)

"The Act of 1844" is the 7 & 8 Vict. cap. 32, and is entitled, "An Act to Regulate the Issue of Bank Notes, and for giving to the Governor and Company of the Bank of England certain privileges for a limited period." It enacts that, from and after the 31st August, 1844, the

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Issue department of the Bank of England shall be separated from the Banking department; that the issuing department may issue notes to the extent of £14,000,000 upon securities set apart for that purpose, of which the debt of £11,015,100 due from the government to the bank shall form a part; that no amount of notes above £14,000,000 shall be issued, except against gold coin, or gold or silver bullion; and that the silver bullion shall not exceed one fourth the amount of gold coin and bullion. Any person is entitled to demand notes from the issuing department, in exchange for gold bullion, at the rate of £3 17*s.* 9*d.* per ounce. Should any banker discontinue his issue of notes, the Bank of England may, upon application, be empowered by an Order of Council to increase her issue upon securities to the extent of two thirds of the issue thus withdrawn; but all the profit of this increased issue must go to the government.

The theory on which this act was founded, had, for several years previously, been brought before the public in pamphlets written by men of distinguished talent. Upon some of these pamphlets we wrote a critique, which appeared in the "Westminster Review" of January, 1841. That article was afterwards published separately, under the title of "Currency and Banking: a Review of some of the Principles and Plans that have recently engaged public attention with reference to the administration of the Currency." In this review we made the following observations on the plan then proposed, and subsequently carried out in the act of 1844: —

"*The plan of making the amount of the circulation fluctuate in exact correspondence with the amount of gold in the Bank of England.*

"This plan is open to the following objections: —

"1. Upon this plan there must be a perpetual increase and diminution in the stock of gold; consequently, a perpetual increase and diminution in the amount of the currency. The increase in the amount of the currency would raise prices and stimulate speculation. The diminution in the amount of the currency would reduce prices and produce distress. And thus there must be a constant alternation from high prices to low prices, and again from low prices to high prices, — from speculation to distress, and from distress to speculation.

"2. But depression of prices, and their attendant miseries, may not be experienced only when the foreign exchanges are unfavorable. Excessive caution, an apprehension of war, or political feeling, may cause a domestic demand for gold, and this would cause for a while a contraction of the currency as severe as that which would arise from an unfavorable exchange; and, as the bank directors would have no discretionary power, but would be required 'to adhere to principle,' by giving gold for notes, or notes for gold, they could do nothing to assuage these calamities. According to Mr. Loyd,* a drain, from whatever cause it may arise, must be met by a contraction of the currency. Mr. Palmer, in laying down his rule, put in a saving clause, — 'except under special circumstances,' — but Mr. Loyd makes no exceptions.

"3. To carry this system into operation would require a separation of the issuing department from the other departments of the business of the bank, and this would cause still further inconveniences. The management of the issuing department would be exceedingly simple. The office of the directors would be a complete sinecure, and,

* I wish I could have made this quotation without introducing the names. It would greatly assist our inquiries after truth, and lead to the formation of an independent judgment, if we could engage in discussions of this kind without any reference to those talented men who may have distinguished themselves as either the advocates or the opponents of the doctrines we investigate.

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for any thing they would have to do, their places might be as well supplied by four-and-twenty broomsticks. A few cashiers to exchange gold for notes, or notes for gold, would be all the establishment required; and could Mr. Babbage be induced to construct a 'self-acting' machine to perform these operations, the whole business of the currency department might be carried on without human agency. But the deposit department would require more attention. 'It is in the nature of banking business,' says Mr. Loyd, 'that the amount of its deposits should vary with a variety of circumstances; and, as the amount of deposits varies, the amount of that in which those deposits are invested (viz. the securities) must vary also. It is therefore quite absurd to talk of the bank, in its character of a banking concern, keeping the amount of its securities invariable.' As therefore the deposits might vary, the bank would be a buyer or a seller of government securities; and, as these variations are sometimes to a very large amount, the fluctuations in the price of the public funds and of exchequer bills would be very considerable. Thus the property of those who held these securities would be always changing in value. Again, the deposits would be withdrawn chiefly in seasons of pressure, and the bank would then be compelled to sell her securities. But suppose the scarcity of money should be so great that the securities would be unsalable even at a reduced price, how then could the bank pay off her deposits?

"4. If the currency were administered upon this principle, the bank would be unable to grant assistance to the commercial and manufacturing classes in seasons of calamity.

"Mr. Loyd exclaims, 'Let not the borrowers of money, government, and commerce approach, with their dangerous and seductive influences, the creator of money.' But with all deference to Mr. Loyd, we contend that it is the province of a bank to afford assistance to trade and commerce in seasons of pressure. Mr. Loyd, as a practical banker, would no doubt afford assistance to his own customers in such seasons; and if this be the province and duty of a private banker, the duty is more imperative on a public banking company, and more imperative still on a bank invested by the legislature with peculiar privileges for the public good. Mr. Loyd says, 'Let the bank afford this assistance out of her own funds.' But, under Mr. Loyd's system, she could grant assistance only by selling securities; and what relief would she afford by selling securities with one hand, and lending out the money with the other? Besides, it is certain that, under such a pressure as Mr. Loyd's system must occasionally produce, these securities would be salable at even any price? 'But,' says Mr. Loyd, 'individuals may afford this assistance.' In seasons of pressure few individuals have more ample funds than what are necessary for the supply of their own wants. . . . . When the distress is caused by a contraction of the currency, it can only be removed by an increased issue of notes. And there are many cases, such, for instance, as that of the Northern and Central Bank, in which assistance can only be effectually rendered in this manner.

"We consider that any system of administering the currency, which prohibits the banking institutions of the country from granting relief to the commercial and manufacturing classes, must be unsound. We should condemn such a system at once, even if we could not detect the fallacies on which it was founded. In political economy we can judge of principles only by their practical effects, and any system which produces these effects must be unsound. When seasons of calamity occur, it is not for the national bank to exclaim, *Sauve qui peut*. They ought to coöperate with the government in attempting to relieve the distress, and to preserve the tranquillity of the country."

These remarks, written in the year 1841, might, if put into the past tense, almost serve for a history of the year 1847. The act of 1844 was formed upon the principle which is here condemned; and the effects described have actually occurred. There have been great fluctuations in the amount of the circulation, in the rate of interest, and in the prices of the public securities. There have been great speculations, followed by great distress. The government funds have, in large amounts, been unsalable; and the bank has been unable to afford relief to the commercial classes. A severe pressure has taken place; and, in consequence of this severe pressure, the act was suspended. It has been denied that this pressure was produced or increased by the act. But how stand the facts?

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The act was passed, and, as predicted, a pressure came: the act was continued, and the pressure increased: the act was suspended, and the pressure went away. These are not opinions; they are facts.

At the meeting of Parliament in the latter end of 1847, committees were appointed by both the House of Lords and the House of Commons, to "inquire into the causes of the distress which has for some time prevailed among the commercial classes; and how far it has been affected by the laws for regulating the issue of bank-notes payable on demand." The following is an extract from the report of the Lords' Committee as to the causes of the pressure: —

"A sudden and unexampled demand for foreign corn, produced by a failure in many descriptions of agricultural produce throughout the United Kingdom, coincided with the unprecedented extent of speculation produced by increased facilities of credit and a low rate of interest, and had for some time occasioned over-trading in many branches of commerce. This was more especially felt in railroads, for which calls to a large amount were daily becoming payable, without corresponding funds to meet them, except by the withdrawal of capital from other pursuits and investments. These causes account for much of the pressure under which many of the weaker commercial firms were doomed to sink, and which was felt even by the strongest. To these causes may be added a contemporaneous rise of price in cotton; and, with respect to houses connected with the East and West India trade, a sudden and extensive fall in the price of sugar, by which the value of their most readily available assets underwent great depreciation.

"Some of these causes are obviously beyond the reach of legislative control. But upon those which are connected with the extension of commercial speculation, encouraged or checked by the facility or the difficulty of obtaining credit, by the advance of capital and the discount of bills, the powers and position of the Bank of England must at all times enable that corporation to exercise an important influence. The committee have consequently felt it to be their duty to inquire into the course pursued by the bank acting under the provisions of the 7 and 8 Vict. c. 32, and they have come to the conclusion that the recent panic was materially aggravated by the operation of that statute, and by the proceedings of the bank itself. This effect may be traced, directly, to the act of 1844, in the legislative restriction imposed on the means of accommodation, whilst a large amount of bullion was held in the coffers of the bank, and during a time of favorable exchanges; and it may be traced to the same cause, indirectly, as a consequence of great fluctuations in the rate of discount, and of capital previously advanced at an unusually low rate of interest. This course the bank would hardly have felt itself justified in taking, had not an impression existed that, by the separation of the issue and the banking departments, one inflexible rule for regulating the bank issues had been substituted by law in place of the discretion formerly vested in the bank."

The nature and extent of the pressure is thus described by the Governor and Deputy-Governor of the Bank of England: —

"The panic began by the failures in the corn trade. The price of wheat had risen to about 120*s*. Large arrivals of grain from the continent of Europe and from America, coupled with the prospect of an early and abundant harvest, caused a sudden fall in price to about 60*s*., with a corresponding decline in Indian corn. The failure of most of the corn speculators followed this great reduction in price, and their failure caused the stoppage of an eminent discount broker having a large country connection. This latter failure, by closing one of the principal channels of discount between the country and London, caused distrust to extend into the country. Credit became affected by these failures, and several London firms of high standing also failed. Then followed in rapid succession the failure of the Royal Bank of Liverpool, the Liverpool Banking Company, the North and South Wales Banking Company, some private country banks, and the Union Bank of Newcastle, followed by a tremendous run upon the Northumberland and Durham District Bank. To these disasters succeeded alarm, and an almost total prostration of credit. The London bankers and discount brokers

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refused to grant the usual accommodation to their customers, and necessarily obliged every one requiring assistance to resort to the Bank of England. Money was hoarded to a considerable extent; so much so, that notwithstanding the notes and coin issued to the public in October exceeded by £4,000,000 or £5,000,000 the amount with the public in August, still the general complaint was of a scarcity of money. Credit was so entirely destroyed, that houses trading to distant countries carrying on their business through the means of credit, by a renewal of their acceptances as they became due, were no longer able to meet their engagements, and were forced to stop payment. This was the state of things previous to the issuing of the government letter in October." (*Lords*, No. 12.)

The Committee of the House of Commons delivered a report in favor of the continuance of the bill without alteration, in opposition to the opinions of by far the majority of the witnesses who were examined.

Those witnesses who are friendly to the act contend that it has secured the convertibility of the Bank of England note, — that this convertibility was endangered in 1825, in 1837, and in 1839, and would have been endangered in 1847 but for this act. (See the *Evidence before the Committee of the House of Lords*, Questions Nos. 1406 to 1409, and No. 3169.)

By the phrase "securing the convertibility of the note" it is not meant that the issue department of the Bank of England held a sufficient amount of gold and silver to pay off all the notes it had issued. It is obvious that the gold and silver in hand must always be fourteen millions less than this amount, inasmuch as fourteen millions of notes are issued against securities. By "securing the convertibility of the note" is meant, that the issue department of the Bank of England was in a condition to pay off any amount of notes of which payment was likely to be demanded *for the purpose of exporting the gold;* the issue department was always in a condition to meet any *foreign* demand for gold. This is called "securing the convertibility of the note."

It has been contended, that the act has retained in the vaults of the Bank of England a larger amount of gold and silver than would otherwise have been retained. And as this amount is set apart for the express purpose of paying the notes, their payment is so far additionally secured. On the other hand, it has been maintained that, by thus reserving all the gold to pay the notes, we endangered the payment of the deposits. And had the banking department stopped payment, a domestic run would have taken place upon the issuing department, and thus the payment of the notes would still have been endangered.

The following is the evidence of a director of the Bank of Liverpool upon the subject: —

"With regard to securing the convertibility of the notes, what is your opinion of the bill?

"I do not think it has secured the convertibility of the notes at all. The notes remained convertible up to the suspension of the bill; but I believe that if the bill had not been suspended then, or some similar measure adopted, notes would have ceased to be convertible. Looking to the general state of things throughout the country, and to what I know to have been the state of things in London, and the position of trade generally, — to the alarm that was spreading rapidly through the country, and to the fact that the power of the bank had been reduced to such a point, that if there had been any apprehension of the failure of the country banks, it could not further support them, and that very little might have occasioned (I might perhaps go further, and say,

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would have occasioned) the failure of banks in large towns and in the country; believing that if one or two country banks of any magnitude had failed, alarm would have spread throughout the kingdom, or if one or two London banks had failed, consternation would have been general; seeing, also, the considerable amount of reserve in the hands of the country bankers and joint-stock banks, and the necessity that there would have been of having that reserve as early as possible converted into gold if the bank was obliged to stop; seeing that a reserve of £20,000 for each of three hundred country banks would have taken six or seven millions, or of £15,000 each would have taken five millions; and that if the run for gold had once begun, it would probably have gone on till the treasury was drained; seeing all this, my firm opinion is, that the bill of 1844 has not secured convertibility, and I state the grounds on which that opinion is formed." (*Commons*, No. 94.)

It seems useless at present to speculate upon such a state of things, as we *now* know that before the pressure arrived to such a height as to cause the banking department to stop payment, the act would be suspended. But it seems fair to ask, whether the precautions of the act are not disproportionate to the danger? We ought to consider not merely the greatness of the evil, but also the probability of its occurrence; and is it wise to inflict upon ourselves a vast number of serious evils merely to guard against a danger that may never occur? It may further be asked, whether the stringent measures that were necessary last year to keep the banking department from stopping payment, would not have been equally effectual under the previous state of the law in preserving the convertibility of the notes?

It should be recollected, too, that previous to the passing of the act of 1844, the bank had the power of rectifying the exchanges by means of foreign credits, as they did in the year 1839. (Several of the witnesses made suggestions for rectifying this exchange by other means than the exportation of gold. See *Commons*, 97, 2018, 2023, 2579, 2614, 2620.) But the directors, being now relieved from all responsibility with regard to the issue department, have no inducement to engage in such an operation. Indeed, they might be censured for interfering with the principle of the act, that the exchanges shall be rectified by a transmission of gold and silver.

It would appear from the evidence, that the *sole* advantage *now* claimed for the act is, that it has secured the convertibility of the note. Other advantages, however, were expected to result. Those expectations are thus disposed of in the report of the Lords' committee:—

"It is true that to those who may have expected that the 7 and 8 Vict. c. 32, would effectually prevent a recurrence of cycles of commercial excitement and depression, the contrast between the years 1845 and 1847 must produce a grievous disappointment. To those who anticipated that the act would put a check on improvident speculation, the disappointment cannot be less, if reliance is to be placed (as the committee are confident it may) on the statement of the governor of the bank, and of other witnesses, that 'speculations were never carried to such an enormous extent as in 1846 and the beginning of 1847.' If the act were relied on as a security against violent fluctuations in the value of money, the fallaciousness of such anticipation is conclusively proved by the fact, that whilst the difference between the highest and lowest rate of discount was in the calamitous years 1837 and 1839 but 2¼ to 2¾ per cent., the difference in 1847 rose to 6¾. If it was contemplated that the number and the extent of commercial failures would have been lessened, the deplorable narrative of the governor of the bank, recording the failure of thirty-three houses comparatively in large business, in London alone, to the amount of £8,129,000 is a conclusive reply. If the

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enormous extent to which railroad speculation has been carried be considered as an evil to which a sound system of banking could have applied a corrective, such a corrective has not been found in an act, since the passing of which, during a period of three years, an increased railway capital of upwards of £221,000,000 has been authorized to be raised by Parliament; and when the enormous sum of £76,390,000 is stated, on high financial authority, to have been actually expended on railways in two years and a half. If the power of obtaining banking accommodation on moderate terms were considered to be promoted by the act of 1844, it cannot be said that this important object has been attained, since it appears in evidence that in 1847, in addition to an interest of 9 or 10 per cent., a commission was also frequently paid, raising the charge to 10, 20, or 30 per cent., according to the time which bills had to run."

The report might have added, that if it was expected that the amount of notes in the hands of the public would fluctuate in exact correspondence with the fluctuations in the amount of gold in the Bank of England, that expectation has not been fulfilled. From the censure cast on the Bank of England, before the act was passed, for not producing this correspondence, it may be inferred that such an expectation was entertained. (*Evidence taken before the Committee on Banks of Issue*, Nos. 2677, 2713.)

Those who are opposed to the act of 1844 bring against it the following accusations: —

First. The Act of 1844 is accused of having produced an abundance of money and a low rate of interest, and thus stimulated to excessive speculation. We showed, in the last section, that these are always the precursors of a pressure.

According to this Act, all persons are entitled to demand from the issue department of the Bank of England, Bank of England notes in exchange for gold bullion at the rate of £3 17*s.* 9*d.* per ounce of standard gold. When, therefore, the foreign exchanges are favorable to the importation of gold, this gold, consisting of gold bars and foreign gold coin, which could not be used as money in this country, is taken to the issue department, and instantly converted into Bank of England notes. The amount of notes is thus increased beyond what the transactions of the country require. Money becomes plentiful, the rate of interest falls, and the low rate of interest gives facilities to speculative undertakings.

It must be acknowledged that, previous to the passing of this act, the bank directors had adopted the principle of purchasing all foreign gold that might be offered them at £3 17*s.* 9*d.* an ounce; and it formed a feature of their system of management, as explained before a committee of the House of Commons in the year 1832. When the advocates of the act say that it is only during a season of pressure that the act comes into operation (Commons, 5121), they can mean only that it is during such a season that the system established by the act differs from the system previously in existence. The act is as much in operation when it gives out notes as when it gives out gold.

It must also be acknowledged that on the 31st August, 1844, when the act came into operation, there was a large amount of gold in the bank, and a low rate of interest consequently prevailed. This gold had accumulated, not literally in consequence of the act, but in consequence of the principle embodied in the act. From the adoption of this principle, the

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gold in the vaults of the bank still further increased after the passing of the act.

It must be further acknowledged, that although the act requires the issue department at all times to issue notes against gold, it does not require that the Bank of England shall at all times issue £ 14,000,000 against securities. The act merely requires that the amount *shall not exceed* £ 14,000,000. And a London banker who was examined as a witness before the Lords' Committee, said he expected that when the act came into operation, the bank would not issue at first more than £ 11,000,000 against securities, and that the remaining £ 3,000,000 would not be issued until the rate of interest had advanced to three and a half or four per cent. But the act did not require the Bank of England to adopt this course; and its adoption would probably have been considered by some parties as a departure from its principle. For it is a fundamental principle of the act, that the amount of the circulation shall jerk up and down in exact conformity to the importations or exportations of gold. And hence during a favorable course of exchange, money must be abundant, and interest must be low.

It is alleged that the act still further reduced the rate of interest, and promoted speculative undertakings, by placing the Bank of England in a position in which the directors were led to adopt a new system of management.

In September, 1844, soon after the act was passed, the directors, whose rate of interest had never previously been lower than four per cent., reduced it to two and a half per cent. The object of this reduction was to invest a larger portion of their funds in the discount of bills. It stated that, to effect this object, the directors not only reduced their rate of discount, but also canvassed for business, and thus gave a stimulus to new transactions. They had been told that the banking department of the Bank of England was to be managed "like any other banking concern using Bank of England notes." And it is not an unusual thing for bankers, when they cannot employ their funds at so high a rate of interest as they wish to obtain, to employ them at a lower rate. Nor is it unusual for a banker to offer his surplus cash to bill-brokers and others, who are known to be in the habit of supplying bankers with bills. But however consistent the conduct of the directers may have been with banking principles, the reduction of the bank rate of discount immediately caused a reduction in the market rate, and in the rates charged by bankers throughout the country. For it must be observed, that when the bank lowers her rate of interest upon money in seasons of abundance, it has the necessary effect of reducing the market rate of interest still lower than the bank rate. Suppose, for instance, the bank discounts at five per cent., and the market rate of discount is four per cent., of course no bills are offered for discount to the bank. Then the bank, to get discounts, lowers her rate of interest to four per cent. A portion of bills that were previously discounted by private bankers and bill-brokers will then be taken to the bank; but the notes thus drawn from the bank make money still more plentiful, and the market rate falls to three and a half or three per cent. Now, should the bank reduce her rate to three per cent. the same effects

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would again follow. For the additional notes thus drawn out would make money so abundant as to reduce the market rate of interest to two and a half or two per cent., and so on.

But in seasons of scarcity, precisely the opposite effect follows. For when the bank raises the rate of discount, it has the effect of raising the market rate still higher. Thus, if the bank should be discounting at 5 per cent., and the market rate should be 5½ per cent., let the bank raise her rate to 6 per cent., and the market rate will immediately become 7 or perhaps 8 per cent., or even higher upon inferior bills. For the bank rate of discount will be the market rate for only the first class of bills, — such bills as could be discounted at the bank; and all bills of the second class will have to pay an advanced rate, and those of a still more inferior character will not be discountable at all.

In 1844 the rate of discount was lower than in any previous season of abundance of money. This low rate of interest was produced, in the first place, by the principle of the act of 1844, which caused the issue of a large amount of notes against gold and silver bullion; and, secondly, by that provision of the act which separated the two departments, and thus brought the banking department of the Bank of England into competition with other bankers and money dealers, as discounters of bills. (*Commons*, 2275, 5189, 5347 – 5350.) The directors of the bank seem to think that the spirit of the act of 1844 required that the bank should employ its reserve.

"If we keep the notes in the reserve, instead of giving them out to the public, the effect that ought to be produced by gold coming into the country is counteracted; it induces a larger amount of capital to come into the country, because you do not allow that portion which has come in to be employed. If you do not put out the gold, or the representative of gold, you entirely prevent its having any effect upon the circulation. The exchange will be kept up, and gold will continue to come in." (*Commons*, 3009.)

Thus it appears that, although there is no positive enactment in the act respecting the management of the banking department, the directors so understand its spirit as to believe that when gold is going out of the country they ought to take measures to prevent its exit; and when gold is coming into the country, they ought to endeavour to drive it back again. The first object is attained by raising the rate of interest very high; the second, by reducing it very low. It must, however, be acknowledged, that, apart from any efforts of the banking department, a large importation of gold will under the act necessarily cause a low rate of interest.

Secondly. The next charge against the act of 1844 is, that it does not admit of those occasional expansions of the amount of notes in circulation which are often required by the domestic transactions of the country.

It is alleged that one imperfection of the act was strikingly manifested in the beginning of the year 1846. The Parliament required that all railway companies that intended to apply for an act should lodge ten per cent. on their capital within fifteen days after the meeting of Parliament. It was impossible to say beforehand what amount of notes would be required to make these payments. It was variously estimated at from £ 12,000,000 to £ 25,000,000, while all the notes in the hands of the public amounted to

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only about £20,000,000. Ultimately the railway companies of Ireland and Scotland were allowed to make their payments in Dublin and Edinburgh, respectively; and the payments in London did not amount to more than £14,000,000. (*Lords*, 1209, 1214.) This large sum was paid by means of the banking department of the Bank of England lending out the money as fast as it was received. Had the act of 1844 not been in existence, the Bank of England (as in the case of the West India loan, and of previous loans) might have lent out the money before the time of payment arrived, and no apprehensions would have been entertained. The notes in circulation would have been largely increased for a few days, and then again have subsided to the former amount. As it was, the payment was not made through any virtue in the act. And had it been required under different circumstances, or when the banking department had a smaller reserve, it could not have been made at all. (*Lords*, 1209.)

It is further alleged, that the act of 1844 requires an immediate contraction in the amount of the notes whenever gold is exported for merely a temporary or specific purpose. Between March 13 and April 24, 1847, £2,237,200 was exported in payments for corn. An equal amount of notes was of course cancelled by the issue department. These notes must have been taken out of the hands of the public, or from the banking department of the Bank of England. About the same time, the government had occasion to borrow of the banking department about £3,500,000 to pay the April dividends. The banking department, consequently, for a while limited their discounts, and even refused to grant loans on exchequer bills. Great pressure was consequently felt, though it did not last for a long time. Now it is alleged, that if the act of 1844 had not existed, the directors would have allowed the gold to be exported without *immediately* contracting the notes in circulation. They would have lent the money required by the government, without refusing the loans and discounts to the public; and the contraction of the circulation, by being extended over one or two months, instead of a few weeks, might have produced no inconvenience.

By the act of 1844, the circulation of the country banks was restricted to a certain amount. The average of the twelve weeks ending the 27th of April, 1844, was fixed for the maximum. During some months in the year the country requires more notes than this maximum; and, as the banks can issue no more notes of their own, they obtain Bank of England notes from London. In the year 1845 acts of Parliament were passed for the regulation of the notes issued in Scotland and Ireland. Beyond certain fixed amounts the banks in these countries are required to hold gold equal to the amount of notes in circulation. In both countries this circulation fluctuates. In Scotland, the highest amount is in November. In Ireland, the highest amount is in January or February. In these months they require more gold, and this gold they obtain from the issue department in exchange for Bank of England notes. Before the act of 1844, the circulation of the country parts of England, of Scotland, and of Ireland, expanded or contracted as required by the wants of the public, without affecting the London circulation of the Bank of England; but under this act the expansion of the circulation of the country banks, the

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banks of Scotland and of Ireland, are attended by a contraction of the circulation of Bank of England notes in London. This may not be a matter of much consequence in ordinary times, when the banking department of the Bank of England has a large reserve; but in seasons of pressure, such as occurred in 1847, this drain on the London circulation may be more severely felt.

It may be further stated, that the withdrawal or discontinuance of a certain amount of bills of exchange, through loss of credit or otherwise, would render a larger amount of bank-notes necessary to fill up the space formerly occupied by those bills of exchange. But for such a circumstance no provision is made by the act. (*Lords*, 232 – 235.)

Thirdly. It is alleged that the act of 1844 tends to produce and to aggravate pressure, and at the same time deprives the Bank of England of the power of granting adequate assistance, even when the pressure is most urgent, and when assistance can be rendered without any danger of affecting the foreign exchanges.

This objection assumes that a pressure is an evil. It assumes, that, to advance the rate of interest to a rate which no profit can afford to pay; to deprive solvent houses of the means of meeting their legitimate engagements; to cause a universal reduction of prices, and thus to baffle the calculations of even the most prudent; to reduce wealthy merchants to the condition of paupers; to deprive manufacturers of the means of executing their orders, and thus to throw thousands of industrious people out of employment; to sell to foreigners large amounts of goods and manufactures at less than the prime cost, thus causing a great national loss; to paralyze the national industry; to stop the progress of useful works, and to destroy confidence and credit, — the objection assumes, that a pressure which produces effects like these is a national evil. And such must be the opinion of those who suspended the act, and of those who approve of that suspension; for it was to prevent or to remove evils like these that the act was suspended.

It is alleged that the act tends to produce such pressures. By issuing notes against all the importations of gold, it causes abundance of money, lowers the rate of interest, and stimulates to speculative undertaking (thus the low rate of interest in 1844 and 1845 stimulated the railway speculations), and then, speculation is always succeeded by pressure. If, therefore, similar causes produce similar effects, and if the future shall resemble the past, the operation of the act of 1844 will tend to produce pressure.

It is further alleged, that when a pressure occurs without being produced by the act, then the act tends to aggravate the pressure. An unfavorable course of the exchange may be produced by a large importation of corn. The act requires that the exchange shall be rectified by an exportation of gold, and that this exportation of gold shall be attended by a contraction of the domestic circulation (according to the present meaning of the word circulation) to an equal amount. It is hardly necessary to show that these regulations must aggravate a pressure.

It has been said, that the pressure of 1847 was produced by the railway speculations and the famine, and *therefore* it was not produced or in-

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creased by the act of 1844. We do not perceive the soundness of this reasoning, and it seems to show a forgetfulness of the peculiar operation of the act. The act requires that the amount of notes in circulation shall fluctuate in exact accordance with the amount of bullion. Railway speculations, famine, foreign loans, or a hundred other things, may turn the foreign exchanges, and cause gold to be exported, but it is the act which causes our circulation of notes to be contracted in proportion as the gold is withdrawn. So a hundred different circumstances may cause gold to be imported, but it is the act which causes the circulation to be inflated in correspondence with this increased amount of gold. Herein, we think, is the injurious operation of the act. When the exchanges are favorable, gold is imported. The gold is in bars and foreign coin, and could not pass as money. But the act issues notes against this gold, thus increasing the circulation, lowering the rate of interest, and giving rise to speculations of all kinds. These speculations, coöperating possibly with other causes, turn the exchanges. Notes are then taken to the bank, and gold demanded, for the purpose of being exported. This contraction of the circulation of notes produces pressure, and the apprehension of further pressure produces panic.

They who contend that the act of 1844 has not "in the slightest degree tended either to create or to increase the pressure" (*Lords*, 3106) of 1847, seem to be inconsistent in contending, at the same time, that the act has preserved the convertibility of the bank-note. It was the pressure and the high rate of interest, and low prices consequent upon the pressure, that checked the efflux of gold, and turned the exchanges. Now, if the act had no effect in producing or increasing that pressure, the convertibility of the note, by whatever causes it was secured, was not secured by the act. If the act did not in the slightest degree either create or increase the pressure, in what way, we ask, could it preserve the convertibility of the note? It appears to us that those who contend that the act preserved the convertibility of the note are bound by consistency to admit that the act produced or increased the pressure.

It is further alleged, that the act aggravates a pressure by the "panic" which it creates. It is stated that, during the pressure of 1847, notes to the amount of £4,000,000 were hoarded under the influence of panic, and this hoarding was occasioned by the provisions of the act. It must be acknowledged, however, that something of this kind has taken place in former pressures. We noticed this circumstance with reference to the pressure of 1836 (*The History of Banking in America*, by J. W. Gilbart, page 96), and again with reference to the pressure of 1839 (*An Inquiry into the Causes of the Pressure on the Money Market in the Year* 1839, by J. W. Gilbart, page 38).

"A contraction of the circulation leads to a general apprehension of danger. Hence the bankers and others keep larger reserves of bank-notes on hand, in order to be prepared for the worst, and thus the evils of the contraction are considerably increased. 'That portion of the notes of the Bank of England which is passing from hand to hand, may be called the active circulation. That portion which is hoarded, or kept in reserve to meet possible demands, may be called the dead circulation. Now, it is

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quite certain that the dead circulation, while it remains in that state, has no effect upon the prices of commodities, the spirit of speculation, or the foreign exchanges. These are affected only by the active circulation. In seasons of pressure the dead circulation is increased at the expense of the active circulation, because people hoard their money to meet contingencies. Hence we find the pressure is often more severe than the reduction of the bank circulation would seem to warrant. But the fact is, that the pressure is in proportion to the reduction of the active circulation, and not in proportion to the reduction of the whole circulation. On the other hand, in seasons of abundance, the dead circulation is diminished, the active circulation proportionably increased, and hence the stimulus given to trade and speculation is much greater than the returns of the Bank of England would warrant us to expect.'" (*History of Banking in America*, p. 96.)

Continued, page 637, *February number.*

BANK STATISTICS.

Banks of Massachusetts.

Condensed Statement of the Capital, Circulation, Undivided Profits, Bank Balances, Deposits, Coin, and Loans of each of the Banks in Massachusetts, September 7, 1850.

Compiled from the Annual Report of the Secretary of the Commonwealth.

Comparative View of the Massachusetts Banks.

Liabilities.	*Sept.*, 1847.	*Sept.*, 1848.	*Sept.*, 1849.	*Sept.*, 1850.
Capital paid in,	$ 32,113,150	$ 32,985,000	$ 34,630,011	$ 36,925,050
Circulation,	14,719,422	10,807,193	13,014,194	13,984,953
Do. under $ 5,	2,476,940	2,388,337	2,686,741	3,020,873
Net profits on hand,	3,499,583	3,737,434	3,011,996	4,627,660
Due other banks,	7,263,282	4,083,650	4,720,816	6,549,930
Deposits,	10,265,555	8,094,970	9,875,317	11,176,827
Do. bearing interest,	764,715	470,016	746,415	442,085
Total,	$ 71,102,647	$ 62,567,100	$ 68,685,490	$ 76,727,378
Resources.	*Sept.*, 1847.	*Sept.*, 1848.	*Sept.*, 1849.	*Sept.*, 1850.
Gold and silver,	$ 3,943,954	$ 2,578,030	$ 2,749,917	$ 2,993,178
Real estate,	1,062,950	1,073,116	1,126,162	988,236
Notes of other banks,	3,030,865	2,130,578	3,416,074	3,715,848
Do. out of the State,	232,698	206,240	321,077	332,673
Due from banks,	5,571,240	3,469,034	4,472,950	5,335,003
Loans,	57,260,940	53,110,102	56,599,310	63,330,024
Dorchester and Milton Bank loss,				32,416
Total,	$ 71,102,647	$ 62,567,100	$ 68,685,490	$ 76,727,378

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Country Banks of Massachusetts, Liabilities.

Name and Location.	*Capital.*	*Circulation.*	*Profits.*	*Due Banks.*	*Deposits.*
Tradesman's, Chelsea, . .	$ 61,700	$ 29,656	$ 396	. . .	$ 24,847
Andover, ...	250,000	87,543	26,422	. . .	17,603
Beverly, ...	125,000	74,358	11,070	$ 804	46,568
Danvers, ...	150,000	70,978	8,382	5,231	32,722
Village, Danvers, ...	120,000	96,009	10,783	11,582	8,100
Warren, " . . .	120,000	85,857	10,302	1,874	36,200
Manufacturers', Georgetown,	100,000	27,981	5,020	846	39,890
Gloucester, ...	200,000	156,439	26,385	. . .	44,227
Haverhill, ...	150,000	62,513	19,834	9,847	14,911
Merrimack, Haverhill, .	180,000	53,210	17,538	1,126	20,313
Union, " . . .	100,000	70,510	7,490	. . .	13,730
Bay State, ...	300,000	185,662	17,366	1,620	19,918
Laighton, Lynn, ...	100,000	72,273	6,365	12,056	23,410
Mechanics', "	150,000	106,962	17,440	6,965	44,530
Grand, Marblehead, . .	100,000	89,003	3,340	310	14,128
Marblehead, ...	120 000	67,812	3,656	. . .	14,090
Mechanics', Newburyport, .	200,000	63,916	8,400	2,002	23,600
Merchants', " .	210,000	67,785	18,847	4,650	64,203
Ocean, " .	100,000	104,975	27,876	121	53,106
Asiatic, Salem, . . .	200,000	108,883	33,888	9,257	130,158
Commercial, Salem, . .	200,000	63,295	25,411	1,592	50,156
Exchange, " . .	200,000	98,906	18,740	. . .	75,780
Mercantile, " . .	200,000	56,883	5,422	840	53,547
Merchants', " . .	200,000	68,546	9,896	10,030	59,927
Naumkeag, " . .	500,000	151,560	34,367	450	124,978
Salem, ...	250,000	40,525	10,512	2,026	43,550
Powow River, Salisbury, .	100,000	98,608	12,798	. . .	13,666
Brighton, ...	250,000	263,097	31,350	. . .	32,697
Cambridge, ...	100,000	61,124	16,925	. . .	29,654
Charles River, Cambridge,	100,000	83,260	17,168	. . .	60,630
Bunker Hill, Charlestown, .	200,000	146,093	25,246	. . .	162,562
Concord, ...	100,000	71,400	10,890	. . .	18,945
Framingham, ...	200,000	99,584	17,760	. . .	16,032
Appleton, Lowell, . .	150,000	155,526	15,712	. . .	80,010
Lowell, "	200,000	166,432	38,122	. . .	51,508
Prescott, "	72,350	80,520	1,568	. . .	20,558
Railroad, "	600,000	356,860	104,070	2,004	31,018
Newton, ...	150,000	130,200	12,470	. . .	21,816
Waltham, ...	100,000	85,535	7,518	. . .	10,990
Worcester Co., Blackstone,	100,000	42,196	1,547	. . .	5,960
Fitchburg, ...	200,000	171,963	15,440	. . .	22,352
Rollstone, Fitchburg, .	100,000	110,493	7,778	. . .	13,535
Lancaster, ...	125,000	131,271	20,570	. . .	9,988
Leicester, ...	100,000	110,846	16,141	. . .	11,540
Milford, ...	100,000	116,051	6,774	. . .	10,582
Millbury, ...	50,000	40,984	5,000	. . .	12,023
Oxford, ...	100,000	84,408	5,373	1,210	6,382
Southbridge, ...	100,000	101,228	5,216	. . .	7,977
Blackstone, Uxbridge, . .	100,000	59,890	4,093	. . .	9,092
Central, Worcester, . .	150,000	103,336	21,638	3,600	24,237
Citizens', " . .	150,000	92,461	35,500	3,615	30,376

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Country Banks of Massachusetts, Resources.

The first column denotes the last dividend declared before the Report.

	Name and Location.	*Coin.*	*Real Estate*	*Bank Notes.*	*Bank Balances.*	*Loans.*
	Tradesman's,	$ 7,336	. . .	$ 13,414	$ 74,862	$ 20,987
4	Andover,	6,780	$ 5,000	61	12,170	357,556
3	Beverly,	6,086	1,073	3,532	20,603	226,506
3	Danvers,	2,495	4,700	2,046	8,490	249,582
4	Village,	2,075	. . .	3,864	21,308	214,226
3½	Warren,	3,918	. . .	4,568	28,065	217,682
3	Manufacturers',	1,336	1,300	121	15,656	155,324
4½	Gloucester,	10,305	7,312	4,260	22,434	382,740
4½	Haverhill,	4,741	5,000	231	6,314	240,738
4	Merrimack,	3,277	2,000	2,171	15,415	249,323
	Union,	2,406	3,300	1,733	15,854	168,436
4	Bay State,	7,516	20,000	1,456	14,406	481,187
3	Laighton,	5,818	. . .	7,580	6,873	193,833
4	Lynn Mechanics',	8,798	10,000	1,258	11,950	296,682
	Grand,	5,350	8,700	178	34,210	158,343
3	Marblehead,	7,222	5,500	1,106	12,190	179,539
3	Mechanics', Marblehead,	7,242	8,000	657	11,216	270,892
3½	Merchants', "	14,211	6,000	2,605	26,072	316,596
5	Ocean, "	8,816	2,500	4,963	74,124	195,675
3½	Asiatic, Salem,	16,765	. . .	21,042	46,662	397,718
4	Commercial, Salem,	4,816	7,475	2,030	2,726	323,707
3½	Exchange, "	8,753	4,000	3,051	23,108	354,514
3	Mercantile, "	3,401	7,500	11,556	14,648	279,586
3½	Merchants', "	5,422	. . .	6,300	18,225	318,452
3½	Naumkeag, "	14,421	. . .	10,182	41,783	744,986
3	Salem,	3,753	4,378	2,995	20,185	315,303
4	Powow River,	4,368	. . .	1,480	20,760	198,463
4½	Brighton,	11,394	2,475	12,102	35,450	515,723
5	Cambridge,	2,685	6,000	588	18,505	179,926
4	Charles River,	10,286	. . .	1,911	47,818	201,042
4	Bunker Hill,	69,905	20,000	8,630	50,528	384,840
3½	Concord,	11,891	2,400	1,133	17,378	168,430
3	Framingham,	10,696	4,250	1,178	14,830	322,922
4	Appleton,	6,230	18 000	15,122	62,060	299,835
5	Lowell,	3,363	. . .	11,920	42,910	397,871
	Prescott,	6,662	. . .	7,251	19,135	141,968
4	Railroad,	15,050	. . .	3,306	29,992	1,045,602
4	Newton,	4,316	5,840	6,274	15,355	282,701
4	Waltham,	4,920	5,500	1,400	6,112	186,111
	Worcester County,	6,563	. . .	290	33,188	109,661
3½	Fitchburg,	12,380	1,700	1,053	69,898	324,720
	Rollstone,	4,454	3,800	3,647	17,632	202,222
4	Lancaster,	3,286	1,000	212	27,993	254,338
4	Leicester,	3,636	1,000	2,050	37,148	194,690
3	Milford,	3,521	. . .	13,470	16,466	199,950
3	Millbury,	3,292	. . .	1,295	10,422	93,000
3	Oxford,	3,523	2,055	585	24,675	168,414
3	Southbridge,	3,536	15,412	1,030	5,860	183,584
3	Blackstone,	4,540	224	696	26,053	141,551
3½	Central, Worcester,	6,880	. . .	98	38,602	257,232
4	Citizens', "	10,020	. . .	1,200	23,125	277,606

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Country Banks of Massachusetts, Liabilities.

Name and Location.	*Capital.*	*Circulation.*	*Profits.*	*Due Banks.*	*Deposits.*
Mechanics', Worcester, .	$ 150,000	$ 146,117	$ 13,520	. . .	$ 47,034
Quinsigamond, " .	100,000	75,003	11,972	$ 562	49,253
Worcester, . . .	200,000	128,563	31,718	1,566	77,832
Holyoke, Northampton, .	200,000	198,552	12,740	7,140	27,060
Northampton, . . .	200,000	157,427	40,053	10,100	22,347
Manufacturers', Ware, . .	200,000	196,566	14,264	. . .	10,232
Franklin County, Greenfield,	125,000	156,101	6,122	946	13,488
Greenfield, ...	200,000	142,671	12,413	788	14,553
Cabot, Chicopee, . .	150,000	127,272	14,965	130	13,878
Agawam, Springfield, . .	200,000	128,414	13,232	3,076	33,853
Chicopee, " . . .	300,000	192,904	25,657	214	83,246
Springfield, " . . .	300,000	150,390	41,240	. . .	68,935
Western, " . .	200,000	236,608	6,308	47,208	15,723
Hampden, Westfield, . .	100,000	117,965	15,267	. . .	19,978
Adams, ...	150,000	94,050	8,288	624	12,356
Mahaiwe, Barrington, .	100,000	118,648	8,778	464	12,750
Lee, ...	100,000	108,030	16,030	5,310	4,654
Agricultural, Pittsfield, . .	150,000	135,036	41,490	642	44,577
Housatonic, Stockbridge, .	100,000	97,297	28,450	60	13,918
Neponset, Canton, . .	100,000	47,254	4,106	2,040	15,406
Dedham, ...	200,000	122,154	37,654	. . .	54,798
Dorchester and Milton, .	100,000	41,428	4,283	. . .	23,490
Mattapan, Dorchester, .	100,000	106,900	7,155	. . .	12,806
Quincy Stone, . . .	100,000	86,338	13,226	. . .	47,100
Randolph, ...	150,000	113,897	31,481	. . .	34,020
People's, Roxbury, . .	150,000	77,545	10,198	. . .	79,727
Union, Weymouth, . .	100,000	102,525	13,062	. . .	20,632
Wrentham, ...	150,000	77,772	7,848	. . .	5,534
Attleborough, . . .	100,000	50,440	12,868	454	15,053
Fairhaven, ...	200,000	95,893	11,160	520	94,380
Fall River, ...	300,000	121,852	18,823	8,216	82,042
Massasoit, Fall River, . .	100,000	61,271	10,965	1,426	23,564
Commercial, New Bedford,	400,000	152,094	35,854	9,322	149,844
Marine, " " .	300,000	163,706	25,990	3,701	118,342
Mechanics', " "	200,000	70,450	14,291	3,356	54,316
Merchants', " " .	400,000	197,161	54,640	17,780	230,537
Bristol County, Taunton, .	200,000	144,014	25,736	2,445	40,176
Machinists', " .	100,000	64,106	6,536	210	26,858
Taunton, ...	200,000	112,687	26,655	3,614	77,375
Hingham, ...	105,000	105,953	11,802	. . .	22,634
Old Colony, Plymouth, . .	100,000	92,981	20,400	. . .	18,363
Plymouth, ...	100,000	119,870	19,344	. . .	18,264
Wareham, ...	100,000	105,535	5,360	563	41,038
Falmouth, ...	100,000	91,754	6,961	. . .	15,330
Barnstable, Yarmouth, . .	200,000	161,371	31,026	. . .	8,671
Pacific, Nantucket, . .	200,000	164,505	15,156	118	247,650
Total, 97 banks, . .	$ 16,064,050	$ 10,714,579	$ 1,639,905	$ 226,150	$ 3,979,362

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Country Banks of Massachusetts, Resources.

Name and Location.	*Coin.*	*Real Estate.*	*Bank Notes.*	*Bank. Balances.*	*Loans.*
4½ Mechanics', Worcester, . .	$ 6,958	. . .	$ 9,973	$ 40,203	$ 299,586
3½ Quinsigamond, " . .	7,792	. . .	1,803	39,600	187,600
4 Worcester, " . .	11,926	. . .	4,347	24,572	398,834
4½ Holyoke, ...	7,431	. . .	4,342	59,017	374,702
4½ Northampton, ...	8,848	. . .	3,551	52,334	365,200
4 Hampshire Manufacturers', .	7,710	$ 3,785	472	21,158	387,936
4 Franklin County, . . .	5,960	5,853	885	47,181	241,778
12 Greenfield, ...	7,966	2,747	251	28,861	330,600
3½ Cabot, Chicopee, . . .	5,854	. . .	3,430	26,554	270,408
4 Agawam, Springfield, . .	7,568	7,000	6,491	39,465	323,056
4 Chicopee, " . . .	8,288	7,000	27,787	45,852	513,095
3½ Springfield, " . . .	9,263	7,200	8,406	88,568	447,126
4 Western, " . . .	5,457	10,470	15,340	82,554	392,028
4 Hampden, Westfield, . .	6,590	3,500	4,024	42,002	197,095
20 Adams, ...	6,003	2,500	406	23,347	232,461
3½ Mahaiwe, ...	3,301	2,734	3,221	32,276	198,608
4 Lee, ...	6,154	2,330	1,378	30,605	193,555
5 Agricultural, ...	9,566	1,460	2,795	56,052	299,873
5 Housatonic, ...	5,614	2,250	573	43,032	168,257
3 Neponset, Canton, . . .	3,821	. . .	16	5,606	159,362
4 Dedham, ...	13.500	. . .	410	10,004	390,662
3 Dorchester and Milton, . .	4,080	. . .	1,691	167	130,850
4 Mattapan, ...	3,763	. . .	9,287	15,815	198,085
4 Quincy Stone, . . .	8,588	4,850	2,364	31,666	199,196
4 Randolph, ...	5,660	. . .	260	23,477	300,000
3½ People's, Roxbury, . .	11,003	. . .	2,571	8,595	295,300
3½ Union, Weymouth, . . .	3,890	6,000	1,737	24,810	199,780
3 Wrentham, ...	5,144	798	523	10,964	223,725
3 Attleborough, ...	3,348	3,900	1,753	5,580	164,233
3 Fairhaven, ...	10,382	3,509	875	130,500	256,634
4 Fall River, ...	7,685	7,718	9,725	29,190	476,620
3 Massasoit, ...	10,392	. . .	10,114	16,338	160,382
3½ Bedford, Commercial, . .	10,047	18,000	10,187	71,410	637,468
3½ Marine, New Bedford, . .	9,431	8,000	135	47,328	546,845
Mechanics', " . .	8,297	9,000	1,634	29,502	294,480
4 Merchants', " . .	6,467	16,000	1,654	76,100	799,896
4 Bristol County, Taunton, . .	3,850	8,000	1,826	23,617	375,378
3 Machinists', " . .	2,580	. . .	1,183	20,008	173,937
4 Taunton, " . .	7,310	5,000	2,761	22,150	383,110
4 Hingham, ...	5,016	16,776	1,337	14,028	211,232
5 Old Colony, Plymouth, . .	4,467	2,000	12,682	23,822	188,772
5 Plymouth, ...	3,910	2,000	9,205	43,370	193,991
3 Wareham, ...	3,412	7,210	1,416	54,187	136,270
3 Falmouth, ...	3,212	6,700	412	31,030	172,690
4 Barnstable, ...	6,783	2,000	1,381	26,857	364,047
4 Pacific, Nantucket, . .	30,161	12,000	1,252	213,800	370,217
Total, 97 banks, . . .	$ 735,618	$ 401,672	$ 403,894	$ 3,146,385	$ 27,954,963

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The capital of the preceding country banks is stated at		$ 16,054,050
To which may be added the following : —		
Abington Bank, Abington, new, ...	$ 100 000	
John Hancock Bank, Springfield, new, ...	50,000	
Prescott Bank, Lowell, — additional, ...	27,650	
Tradesman's Bank, Chelsea, "	38,300	
Franklin County Bank, Greenfield, ...	25,000	
Western Bank, Springfield, "	50.000	
		290,950
Total capital, December, 1850, ...		$ 16,355,000

Boston Banks.

As compared with the year previous, the Boston banks exhibit an increase as follows : —

Liabilities.		*Resources.*	
Capital, ...	$ 2,295,000	Gold, Silver, and other Coin, .	$ 244,000
Circulation, ...	1,305,000	Notes of other Banks, . . .	310,000
Profits Undivided, . . .	1,616,000	Loans, ...	6,730,000
Due to Banks, ...	1,830,000	Deposits in other Banks, . .	863,000
Individual Deposits, . .	1,000,000		

Although the capital has increased nearly five millions from September, 1847, to September, 1850, yet the circulation and coin are somewhat less.

Boston Banks, Liabilities.

Name of Bank.	*Capital.*	*Circulation.*	*Profits.*	*Due Banks.*	*Deposits.*
Atlantic, . . .	$ 500,000	$ 292,078	$ 97,582	$ 72,833	$ 236,239
Atlas, . . .	500,000	145,321	49,320	205,938	157,438
Boston, . . .	900,000	227,166	115,454	53,056	471,090
Boylston, . . .	200,000	175,908	26,140	. . .	131,486
City, ...	1,000,000	182,863	125,437	99,236	398,426
Cochituate, . .	150,000	158,892	7,021	. . .	35,046
Columbian, . . .	500,000	98,090	43,656	10,000	120,700
Bank of Commerce,	708,450	283,628	12,352	278,901	412,341
Eagle, ...	500,000	152,564	54,275	85,918	383,613
Exchange, . .	500,000	295,824	65,657	237,038	250,236
Freeman's, . . .	250,000	171,263	45,613	516	138,200
Globe, . . .	1,000,000	166,596	158,618	271,342	345,111
Granite, . . .	500,000	213,922	56,058	147,576	216,746
Grocers', . . .	250,000	137,880	17,421	79,148	149,384
Hamilton, . . .	500,000	227,330	89,136	31,810	228,430
Market, . . .	560,000	207,077	122,853	100,526	234,700
Massachusetts, . .	800,000	129,667	65,456	44,677	198,846
Mechanics', . .	150,000	136,234	15,020	. . .	53,775
Merchants', . . .	3,000,000	699,612	455,974	1,039,150	855,343
New England, . .	1,000,000	162,501	126,160	368,697	270,056
North, ...	750,000	215,903	67,943	34,072	300,043
Shawmut, . . .	500,000	164,027	75,771	204,348	226,773
Shoe and Leather Dealers',	750,000	268,521	114,581	330,326	185,093
State, ...	1,300,000	288,324	236,700	140,000	523,383
Suffolk, . . .	1,000,000	290,367	360,237	2,008,283	109,273
Traders', . . .	400,000	161,309	56,268	109,580	207,172
Tremont, . . .	692,550	249,232	88,132	258,046	280,048
Union, . . .	1,000,000	196,717	156,166	53,711	292,392
Washington, . .	500,000	142,342	32,548	9,000	193,116
Total, 29 banks, .	$ 20,861,000	$ 6,291,247	$ 2,937,754	$ 6,323,778	$ 7,639,550

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Boston Banks, Resources.

Name of Bank.	*Coin.*	*Real Estate.*	*Bank Notes.*	*Bank Balances.*	*Loans.*
Atlantic, . . .	$ 66,717	$ 20,000	$ 75,940	$ 111,382	$ 924,794
Atlas, . . .	34,185	. . .	56,625	41,396	925,812
Boston, . . .	96,055	50,000	94,756	50,610	1,475,345
Boylston, . . .	15,746	. . .	42,468	75,556	399,765
City, ...	62,522	30,000	35,623	63,535	1,614,322
Cochituate, . .	5,344	. . .	3,212	59,537	282,867
Columbian, . . .	59,025	. . .	35,060	23,006	655,557
Bank of Commerce,	68,206	10,710	234,464	83,990	1,328,303
Eagle, ...	100,178	. . .	82,807	36,175	962,212
Exchange, . .	66,330	. . .	221,990	67,640	992,846
Freeman's, . . .	28,578	12,767	3,852	60,783	499,612
Globe, . . .	121,253	54,728	131,943	46,574	1,587,165
Granite, . . .	74,080	. . .	119,340	60,705	880,177
Grocers', . . .	25,513	. . .	148,919	30,720	478,682
Hamilton, . . .	60,356	. . .	74,704	40,326	900,820
Market, . . .	48,776	. . .	91,775	18,222	1,066,383
Massachusetts, . .	43,926	75,812	45,991	18,542	1,054,374
Mechanics', . .	16,030	16,350	941	34,103	287,305
Merchants', . . .	304,922	145,000	547,544	107,553	4,945,061
New England, . .	73,075	30,000	74,689	158,019	1,591,630
North, ...	45,497	. . .	107,668	17,603	1,197,192
Shawmut, . . .	52,974	. . .	112,070	8,996	996,880
Shoe and Leather Dealers',	63,733	. . .	89,155	48,663	1,436,971
State, ...	103,376	. . .	70,408	106,000	2,708,621
Suffolk, ...	427,080	100,000	785,428	645,248	1,810,404
Traders', . . .	32,811	1,196	42,471	90,385	767,466
Tremont, . . .	63,253	40,00	205,211	36,048	1,223,491
Union, . . .	73,037	. . .	60,490	24,150	1,541,310
Washington, . .	24,476	. . .	49,078	22,856	780,596
Total, 29 banks, .	$ 2,257,560	$ 596,564	$ 3,644,627	$ 2,188,618	$ 35,375,960

To the bank capital of the above-mentioned banks, there have since been added (December, 1850): —

29 banks enumerated, ...	$ 20,661,000
Bank of North America, ...	500 000
Bank of Commerce (paid in full), ...	41,550
Tremont Bank, "	307,450
Total, 30 banks, January 1, 1851, ...	$ 21,710,000

American Bank-Notes. — We have examined several beautiful specimens of bank-notes recently executed by Messrs. Toppan, Carpenter, & Co., Danforth, Bald, & Co., and Rawdon, Wright, & Co., which exhibit marked improvements in the finish and workmanship of this branch of the Arts.

Counterfeit Bank-Notes. — The Belgian government have authorized the National Bank to issue notes to the extent of forty millions of francs. The execution of this issue will be intrusted to M. Delarue, the inventor of a paper *which assures security against forgery.* The amount will comprise ten millions in notes of one thousand francs each, twenty millions in notes of five hundred francs each, and ten millions in notes of one hundred francs, and of fifty francs each.

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Stocks and Exchanges.

STATE SECURITIES, Dec. 23, 1850.

Massachusetts,	5	per cent.,	1859	100 to	101
"	5	"	sterling,	105 "	
New York,	6	"	1860	* 111 "	113
"	6	"	1865	* 117½ "	118½
"	5	"	1858	* 105½ "	106½
"	5	"	1866	* 105 "	106
Pennsylvania,	6	"	1879	107 "	107½
"	6	"	past due,	99½ "	100½
"	5	"	. . .	94½ "	95
Maryland,	6	"	. . .	102 "	103
"	5	"	. . .	88 "	90
"	5	"	sterling,	100 "	100¾
Virginia,	6	"	. . .	100 "	101
South Carolina,	6	"	. . .	100 "	104
Ohio,	5	"	1856	* 105⅞ "	106½
"	6	"	1875	114½ "	115
"	7	"	1851	102½ "	103
Kentucky,	6	"	1871	106¾ "	107
"	5	"	. . .	87 "	90
Tennessee,	5	"	. . .	86 "	88
"	6	"	. . .	101 "	104
Indiana Bonds,		"	. . .	55 "	60
Indiana State,	5	"	. . .	* 81½ "	82
Alabama,	5	"	. . .	90 "	91
"	6	"	. . .	92 "	
Arkansas,	6	"	. . .	52 "	54
Illinois Int. Imp. Stock,			. . .	* 61½ "	61½
" Interest Stock,			. . .	37½ "	39

BALTIMORE, Dec. 21.

Baltimore, 6 per cent.,	1890	103 to	104
B. and Ohio R. R. Stock,		69½ "	70
" " Bonds,	1854	"	
" " Bonds,	1867	90 "	91½
Bank of Baltimore, . .	100	93 "	95
Merchants' Bank, . . .	100	102½ "	104
Union Bank, ...	75	71½ "	72
Mechanics' Bank, . . .	15	16 "	17
Commercial and Farmers',	33½	34 "	36
Western Bank, ...	20	20¾ "	21½
Farmers and Planters', .	25	27 "	28
Chesapeake Bank, . . .	25	26 "	28
Marine Bank, ...	30	27 "	28
Farmers and Merchants',	40	37 "	38
Franklin Bank, ...	12½	11½ "	12
Farmers' Bank of Maryland,	50	51 "	52
Patapsco Bank, ...	25	22 "	25

PHILADELPHIA, Dec. 21.

U. S., 6 per cent.,	1856	* 106 to	106½
" "	1862	* 110 "	110½
" "	1867	* 114 "	114½
" "	1868	* 114 "	114½
" Coupons,	1868	* 116 "	116½
" 5 per cent.,	1853	* 100½ "	101½
" Treasury Notes, 6 p. cent.,		113½ "	114
Philadelphia, 6 per cent.,		* 104 "	104½
Nashville, 6 per cent.,	100	92 "	93
Alleghany County R., 6,	100	93¾ "	94
Cincinnati, 6 p. ct., water-works,		97 "	97½
Pittsburg, 6 per cent., coupons,		97 "	98
St. Louis, " " . . .		94½ "	95
Bank of Pennsylvania, .	100	119 "	119½
" North America,	100	144 "	145
Philadelphia Bank, . . .	100	137½ "	138
Farmers and Mechanics',	50	69¾ "	70
Commercial Bank, . . .	50	60½ "	60½
B. Northern Liberties, .	35	51 "	53
Mechanics' Bank, . . .	20	29½ "	29½
Southwark Bank, . . .	50	74 "	75
Kensington Bank, . . .	50	63 "	65
B. Penn Township, .	22½	30 "	30½
Western Bank, ...	40	65½ "	66½
Manuf. and Mechanics', .	25	28 "	28½
Bank of Commerce, . .	50	60 "	65
Girard Bank, ...	12½	12⅝ "	12⅞
Bank of Pittsburg, . . .	50	51 "	53
Exchange Bank, . . .	50	48 "	48½
Merchants and Manuf., .	50	51 "	51½
Texas Treasury Notes, .	50	40 "	45
Bank of Louisville, . .	100	105 "	107
Northern Bank, Ky., . .	100	110 "	112
Bank of Kentucky, . .	100	109 "	110
Union Bank, Tennessee,	100	70 "	70½
Planters' Bank of Tenn.,		70 "	70½
N. O. Gas Light Bank. Co.,		115 "	116
Morris Canal, ...	25	21⅜ "	21½
Reading Railroad, . . .	50	36¾ "	36⅞
" Bonds, 6 p. cent.,	1870,	78⅜ "	78½
" Mortgages,	1860,	85½ "	86
Com. and Vicks. R. R. B.,	100	19 "	19½
Phil. and Trenton Railroad,	100	131 "	134
Phil., W., Balto. Railroad,	50	31 "	31½
Harrisburg Railroad, . .	50	47½ "	47½
Schuylkill Navigation, .	50	16½ "	17
Camden and Amboy R. R.	100	135 "	136
Schuylkill Navig., 6 p. c.,	1843	45¾ "	46

* Interest off.

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NEW YORK, Dec. 24.

N. Y. City, 7 per cent.,	1857	112 to	113½
" 5 "	1856	100 "	104
" 5 " W. Ln.,	1858	102 "	104
Brooklyn City, 6 per cent.,		104 "	106
Albany " 6 " . .		103½ "	105½
Columbus " 7 " . .		97 "	100
Erie R. R. Bonds, 1st Mortgage,		107¼ "	107½
Hudson River R. R. Bonds, .		105 "	
Hartford and New Haven R. R.,		128 "	130
Erie R. R. Bonds, 2d Mortgage, 7		105 "	
Syracuse and Utica, . . . 8		132 "	135
" Rochester, . 8		114¾ "	115
Long Island Railroad, . . .		13½ "	14
Providence and Stonington, .		55 "	
N. Y. and New Haven R. R., .		118½ "	
Paterson Railroad, ...		104 "	105
Tonawanda Railroad, . 20		129 "	135
Harlem Railroad, ...		62¼ "	63
Mohawk Railroad, ...		92 "	93
Utica and Schenectady, . . .		* 130 "	135
Hudson River Railroad, . . 6		81½ "	
Bank of New York, . . . 10		140½ "	150
Manhattan Bank, ... 7		118 "	121
Merchants' Bank, ... 10		120 "	125
Mechanics' Bank, ... 10		122½ "	125
Union Bank, ... 10		133 "	135
Bank of America, ... 8		113 "	115
City Bank, ... 10		125 "	134
Phenix Bank, ... 7		112 "	
Tradesmen's Bank, . . 15		142 "	150
Fulton Bank, ... 10		133 "	135
Del. and Hudson C. Co., . 24		139 "	140½
Butchers and Drovers', . 10		130 "	135
National Bank, ... 8		115 "	116
Merchants' Exchange, . . 8		117 "	120
Leather Manufacturers', . . 8		112 "	118
Bank of the State of N. Y., 7		105 "	106
Bank of Commerce, . . . 8		111 "	112
Mech. Banking Association, 7		* 101 "	105
American Exchange Bank, 10		122 "	125
N. Y., L. I., and T. Co., . . 8		123 "	125
Farmers' L. and T. Co., . . .		59 "	
Ohio Life and T. Co., . . .		109 "	
Canton Co., ...		57 "	
Bank of Louisiana, . . . 10		121 "	130
Louisiana State Bank, . . 10		100 "	110
N. O. Canal and B. Co., . . 6		98½ "	100
Mech. and Traders' N. O., . 8		96 "	98
Cleveland and Cin. R. R., 7 p. c.,		95 "	
Columbus and Xenia, " 7 "		95 "	96
Ohio and Pa., " 7 "		93¼ "	94
Alleghany City, 6 p. ct., 25 yrs.,		92 "	93
Pittsburg, 6 " 30 yrs.,		97 "	
Alleghany Co., 6 "	1860	96 "	

BOSTON, Dec. 24.

Boston, 6 per cent.,	1853, . .	101 to	102
" 5 "	1860, . .	100 "	100½
East Boston Co., ...		23⅜ "	
Atlantic Bank, ...		110 "	112
Atlas Bank, ...		102 "	
Boston Bank (par 50), . . .		58 "	59
Boylston Bank, ...		109 "	110
City Bank, ...		104 "	105
Cochituate Bank, ...		102½ "	103
Columbian Bank, ...		103½ "	104
Eagle Bank, ...		105 "	106
Exchange Bank, ...		106 "	107
Freeman's Bank, ...		109 "	110
Globe Bank, ...		113 "	114
Granite Bank, ...		105 "	106
Grocers' Bank, ...		101 "	102
Hamilton Bank, ...		109 "	109⅛
Market Bank (par 70), . . .		86 "	86½
Massachusetts Bank (par 250),		255 "	
Mechanics' Bank, ...		105 "	106
Merchants' Bank, ...		109⅛ "	110
New England Bank, ...		111½ "	112
North Bank, ...		103 "	104
Shawmut Bank, ...		106 "	107
Shoe and Leather Dealers' Bank,		114 "	115
State Bank (par 60), ...		63 "	64
Suffolk Bank, ...		134 "	136
Traders' Bank, ...		105 "	105½
Tremont Bank, ...		105 "	106
Union Bank, ...		109 "	109⅛
Washington Bank, ...		101 "	102
Boston and Lowell R. R. (par 500),		580 "	585
" Maine Railroad, .		104 "	105
" Providence Railroad,		85 "	86
" Worcester "		101½ "	102
Concord Railroad (par 50), . .		54 "	55
Connecticut River Railroad, .		81 "	
Eastern Railroad, ...		104 "	104⅛
Fall River Railroad, ...		92 "	95
Fitchburg Railroad, ...		109 "	110
Hartford and New Haven R. R.,		128 "	130
Nashua and Lowell Railroad, .		107 "	108
Norwich and Worcester preferred,		68½ "	69
Northern Railroad, ...		75 "	76
Old Colony Railroad, ...		67 "	68
Stonington "		54½ "	55
Vermont and Mass. Railroad, .		31 "	31⅛
Vermont Central Railroad, . .		36½ "	37
Western Railroad, ...		102 "	103
Albany W. Railroad, 6 per cent.,		107 "	108
Michigan Central Railroad, .		105 "	106
New Bedford and Taunton R. R.,		112 "	115
Rutland Railroad, ...		60 "	61

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MISCELLANEOUS.

BANK-NOTE ENGRAVING. — We have examined a superior specimen of bank-note engraving in the shape of a five-dollar note issued by the Harrisburg Bank, Pennsylvania.

This plate of the Harrisburg Bank was engraved by the firm of Danforth, Bald, & Co., who are the successors of the old-established firms of Murray, Draper, Fairman, & Co., Underwood, Bald, Spencer, & Hufty, &c., and which establishment has, in this note now before us, shown, both in the design and execution of the work, an artistic finish that cannot be surpassed by any establishment in the country.

We believe a description of this note, it being so different from the usual arrangement, will be of advantage to those who are most interested in all efforts made to give better security against either counterfeiting, imitation, or alteration.

The five-dollar note of the Harrisburg Bank is composed of one continuous design, in the form of an *inverted arch*, showing the elements of prosperity, — agriculture, commerce, mechanics, &c. The right hand of the vignette is a group of two female reapers, and a young farmer, with oxen, a wheat field, &c. The left end is composed of a mechanic, a sailor, implements of industry, &c., with a view of an extensive bay in the distance. The centre is the State Capitol at Harrisburg. The lettering is disposed to suit the peculiar arrangement of the work, and the signatures of the officers appear in the *centre* of the note. The faces of all the figures are engraved in a style which, we believe, it will be impossible to imitate.

An establishment possessing the talent of Messrs. Danforth, Bald, & Co., and exerting it as they have done, for the security of the public against fraudulent issues, we feel assured, will continue to receive a large share of the patronage of the banking institutions of the United States.

There is no doubt on our minds that the greatest defence against *counterfeits* is in an improved style of bank-note engraving, printing, and paper. Few persons in the community can be supposed to be familiar with the signatures of bank officers; it is therefore important that the best artists should be employed in the execution or engraving of bank-plates, and that *responsible* firms should be employed *at liberal prices* to print them. — *Willis & Co.'s Bank-Note List.*

NEW PUBLICATIONS. — *The North British Review* for November, 1850. Contents: —1. Carlyle's Latter Day Pamphlets. 2. Stoddart's Philosophy of Language. 3. The Life of Hugh Heugh, D. D. 4. The Agricultural Crisis. 5. The Reformed Church of France. 6. Autobiography of Leigh Hunt. 7. The English Universities. 8. Italian Dictionaries. 9. British Association for the Advancement of Science.

The Westminster Review, October, 1850. Contents: — 1. The Hindu Drama. 2 Natural Systems of Botany. 3. Consular Establishments. 4. Tennyson's Poems. 5. Monopoly of the Bar. 6. Clarkson's Memoirs of William Penn. 7. The Parliamentary Session of 1850. 8. The Christian Sabbath and the Post-Office. 9. Recent Foreign Literature. 10. Critical and Miscellaneous Notices.

The above, together with the *London Quarterly* and the *Edinburgh*, form the series of four English quarterly reviews published by Messrs. Leonard Scott & Co., New York. We have frequently taken occasion to commend these periodicals to the attention of our subscribers; and in our present number may be found several extracts from the *Edinburgh Review*, which deserve the careful perusal of readers of this magazine. The four reviews are published for the sum of eight dollars, being only one third the price of the English editions. They are printed in uniform and handsome style, adapted for libraries. It has been very justly said of these able productions, sustained as they are by some of the ablest writers of the English language, that they "are the critical censors of the British scholastic and literary world. By their criticisms, they aid readers in the selection of standard valuable books; and, by the epitomes which they present, often obviate the necessity of consulting works too voluminous for general examination. They fill a place which American magazines cannot supply; for they discuss topics relating more strictly to the affairs, political, religious, scientific, and literary, of the Continent of Europe. They are conducted by the best talent of Great Britain; and are engaged with the most important questions which interest or agitate the civilized world. Whoever subscribes to them all, may read the ablest representatives of the principal parties into which the people of Great Britain are divided."

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Notes on the Money Market.

BOSTON, 26TH DECEMBER, 1850.

***Exchange on London, sixty days*, 110¼ *to* 110⅜.**

BUSINESS has fallen off, in some measure, as is common at this period of the year. There is a moderate demand for money without any marked increase in the rates. The present demands for accommodation are mainly for two channels: — First, to meet payments for foreign goods imported from April to June last; and secondly, to sustain the speculative operations in stocks. We have repeatedly reminded our readers of the enormous importations from abroad during the current year; and that the heavy balances against us, arising from this excess, would necessarily be paid in coin to the manifest inconvenience of our currency. A gradual increase in such importations might be naturally looked for, commensurate with the increase of population, and the greater ratio of increase in the wealth of the country. But the sudden and disproportionate increase of the last two or three years, maintained as it is at the present moment, must sooner or later create a reaction or revolution in financial affairs, either of which is to be deprecated.

No single year in the history of this country exhibits such a vast amount of imports from abroad, as the fiscal year ending in June last. Its effects are now beginning to be felt. Many of our readers will bring to mind the events of March, 1837, produced as they were by excessive importations, preceded by a speculative increase in the bank circulation of the States. For the sake of reference, we now enumerate the imports and exports of the last fourteen years: —

Year.	*Imports.*	*Exports.*	*Year.*	*Imports.*	*Exports.*
1829,	$ 74,000,000	$ 72,000,000	1842,	$ 101,000,000	$ 104,000,000
1830,	70,000,000	73,000,000	1843,	64,000,000*	84,000,000*
1831,	126,000,000	104,000,000	1844,	108,000,000	111,000,000
1832,	189,000,000	128,000,000	1845,	117,000,000	114,000,000
1833,	140,000,000	117,000,000	1846,	121,000,000	113,000,000
1834,	108,000,000	113,000,000	1847,	146,000,000	158,000,000
1839,	121,000,000	162,000,000	1848,	154,000,000	154,000,000
1840,	131,000,000	104,000,000	1849,	147,000,000	145,000,000
1841,	128,000,000	121,000,000	1850,	178,000,000	151,000,000

Some portion (some millions, we may say) of the balance created during the past year, has been liquidated by gold exported direct from California to Europe, of which no authentic estimate can be made.

The export of coin from New York and Boston to Europe since January 1, 1850, has been as follows: —

From New York, to 21st December, ...	$ 9,200,000
From Boston, to 21st "	530,000

The price of sterling bills for the steamer of the 25th was fixed at 10⅜ for the best signatures, and thence ranging to 10¼, 10, &c. There is a perceptible increased demand for silver coins, for export to France, &c., in preference to gold. A fictitious value is suddenly given to silver, as compared with gold, in our own markets equivalent to 2 to 2½ premium, while in London and other European cities it is quoted at 3 per cent. The halves and quarters in circulation of late in our own cities are now taken up for speculation, and for export, and no substitute is yet provided therefor by Congress. It is probable that the want thus created will be met by a new law, authorizing the coinage of three, five, and ten cent pieces, with a greater alloy than exists in the present coins.

The political economists of Europe attribute the change in values, — 1st, to the large increase in the supply of gold from California; 2d, the extraordinary demand for silver to pay and maintain the German armies; and lastly, the substitution of silver for gold in Hol-

* For nine months only.

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land as a legal tender. These two latter causes will have a tendency to diminish the supplies of silver in the United States and in Great Britain, while gold is a legal tender with us and in Great Britain. There is a discrepancy in opinions as to the movement in Holland, as will be seen by our quotations from the *London Bankers' Magazine* (p. 540), and the *London Morning Chronicle* (p 552).

It must be borne in mind, however, that during the last two centuries the relative supplies of gold and silver have fluctuated largely, without affecting seriously the comparative values. The gross supply of both for the three centuries ending in 1800 was, —

In Gold, 6,798,000lbs. avoirdupois, or value £375,000,000 sterling.
In Silver, 351,565,000lbs. avoirdupois, or value £1,230,000,000 "

Towards the close of the eighteenth century, the supplies of gold began to fail, and those of silver to enlarge; the general result being, in round numbers, that the proportion was reduced from 60 to 1, to 22 to 1, although it afterwards rose to nearly 40 to 1, and again sunk to 30 to 1. Humboldt says (p. 614, Vol. III. B M): —

"The proportion between the respective values of gold and silver has not always varied in a very sensible manner, according as one of these may have preponderated in the mass of metal imported from America into Europe. The accumulation of silver appears to have produced its whole effect anterior to the year 1650, when the proportion of gold and silver was as 1 to 15. Since that period the population and commercial relations of Europe have experienced such a considerable increase, that the variations in the value of the precious metals have depended on a great number of combined causes, and especially on the exportation of silver to the East Indies and China, and its consumption in plate."

The same authority estimated the aggregate annual supplies of gold and silver since 1492 to have been as follows: —

Years.	*Dollars annually.*	*Years.*	*Dollars annually.*
1492 to 1500, ...	4,250,000	1600 to 1700, ...	16,000,000
1500 to 1545, ...	3,000,000	1700 to 1750, ...	22,500,000
1545 to 1600, ...	11,000,000	1750 to 1803, ...	35,300,000

Against the preponderating supply of gold tending to its diminished relative value, we find a solid argument for continued coinage of gold in the smaller expense of coinage. In England the manufacture of gold coin is estimated at one half of one per cent., and of silver coin at about three times as much, or one and a half per cent. In France the coinage of gold costs 0.29 per cent., and silver 1.50 per cent. In Russia the gold costs 0.85 per cent., and the silver coinage 2.95 per cent. The utility of gold, in preference to silver, as a legal tender, and as a medium of payment in large sums, is so obvious, that no permanent change need be anticipated at present. In Great Britain, silver has been for some years a legal tender only to the extent of forty shillings; while in the United States it is out of use, except for small payments.

We furnish our readers in this number a synopsis of the Massachusetts bank returns for 1850. As compared with 1849, we find an increase in circulation of $ 1,300,000, capital $ 2,300,000, deposits $ 1,000,000, coin $ 243,000, loans $ 6,700,000.

DEATH.

At Paris, France, on the 21st of November, aged seventy years, John Bulkly Greene, Esq., senior partner of the well-known banking-house of Greene & Co., a native of New Hampshire, and a resident of France for thirty-seven years. His funeral, on Sunday the 24th, was attended by a large number of American and French gentlemen. Many private equipages formed part of the long procession to the cemetery of Père la Chaise. Abundant evidence was given of the esteem in which the defunct was held. The banking-house (established in 1815) will be continued under the direction of his worthy son-in-law, already experienced in its business.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. FEBRUARY, 1851. No. VIII.

THE BANKING LAWS OF MASSACHUSETTS.

A SYNOPSIS OF THE EXISTING LAWS OF THE COMMONWEALTH, RELATING TO BANKS, BANKING, &C., JANUARY, 1851.

I. Banks. II. Stockholders. III. Directors. IV. Cashier and other Officers. V. Bank-Notes. VI. Interest. VII. Promissory Notes and Bills of Exchange. VIII. Notaries Public. IX. Bank Commissioners. X. Forgery. XI. Miscellaneous.

I. BANKS AND BANKING.

1. *Tax.* — Every incorporated bank shall pay to the Treasurer of the Commonwealth, within ten days after the first Monday of April and October, in each year, a tax of one half of one per cent. on the amount of its capital. — 1828.

2. *Pro Rata Tax.* — If any part of the capital stock of any bank shall have been paid in, within six months next before either of said days, the tax on such part shall be paid, in proportion to the time that shall have elapsed after such payment. — 1828.

3. *Tax.* — If any bank shall neglect to pay such tax, the Treasurer shall forthwith commence action of debt, in the name of the Commonwealth, for its recovery, with interest. — 1831.

4. *Capital.* — In addition to the capital stock authorized to any bank, the Commonwealth may subscribe to a sum equal to fifty per cent. thereof, or less. — 1828.

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5. *Semiannual Returns.* — Every bank shall furnish the Treasurer of the Commonwealth, on or before the first Monday in October and April, with an abstract of the amount of capital paid in, together with the several instalments paid (if any) during the prior six months, and the times of their payment. — 1828.

6. *Additional Capital.* — The increased capital granted to any bank may be paid in such instalments, not exceeding four, as the directors thereof may determine; and whenever any instalment shall be actually paid in, and a certificate thereof forwarded to the Secretary of State, such bank may operate upon the same in proportion to the amount so paid. — 1836.

7. *Name.* — Each bank incorporated by the Commonwealth shall be known by the corporate name of "The President, Directors, and Company of the _____ Bank." — 1828.

8. *Loans.* — Every bank may loan its moneys and effects, "by discounting on banking principles." — 1828.

9. *Loans on Stock.* — No bank shall have owing to it, at any one time, on loans made on a pledge of its own stock, a greater amount than one half of its actual capital paid in. — 1828.

10. *Loans.* — No loan or discount shall be made by a bank, nor shall any bill be issued by it, in any other place than its banking-house. — 1828.

11. *Loans.* — The proceeds of all loans by banks shall be payable in specie on demand, or in their own notes. Loans otherwise made shall be void; and any bank making such illegal loan shall be liable to forfeit five hundred dollars for the use of the Commonwealth. — 1828.

12. *Operations.* — No bank shall commence business until one half of its capital stock shall have been paid, in gold and silver; and until such money shall be examined and counted by three commissioners appointed by the Governor. Such counting to be attested by the oaths of the directors, who shall testify that such money has been paid in by the stockholders, in payment of their respective shares, and that it is intended to remain as part of such capital. A certificate thereof to be furnished to the Governor by the commissioners. — 1828.

13. *Transfers.* — No part of the capital stock shall be sold or transferred, until the whole amount thereof shall have been paid in. — 1828.

14. *Loans to the Commonwealth.* — The Commonwealth may require from any bank, a loan or loans not exceeding five per cent. of its capital, reimbursable in five annual instalments (or less period) at five per cent. interest, — but the Commonwealth shall not be entitled to demand of any bank, loans which shall together, at any one time, exceed one tenth part of its capital. — 1828.

15. *Notice of Loans.* — Whenever the Treasurer shall be authorized, by an act of the legislature, to borrow any money of a bank, he shall give notice in writing to the president or cashier, stating the amount

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which is required, — and thereupon the bank shall place to the credit of the Commonwealth the sum so named. — 1828.

16. *Proportion of Loans.* — The Treasurer, in making demands upon the banks for loans, shall equalize, as far as practicable, the amount of such demands among the several banks; having reference to the amount previously borrowed of each bank in the Commonwealth. — 1828.

17. *Refusal to Loan.* — If any bank shall neglect or refuse, for the space of thirty days after notice from the Treasurer, to make the loan required by the Commonwealth, such bank shall forfeit and pay into the treasury at the rate of two per cent. per month upon such amount, as long as such refusal or neglect shall continue. — 1828.

18. *Action.* — The Treasurer, at the expiration of thirty days after demand for such loan or loans, and after such neglect or refusal by any bank, shall institute an action against the bank for the recovery of the penalty. A new action to be commenced at the end of every additional month, for such refusal, if continued. — 1828.

19. *Pledged Stock.* — No bank shall purchase or hold its own stock, except as security for debts. Stock received as security shall be sold within six months after possession. — 1838.

20. *Stock Transfers.* — All records of transfers of stock, in companies incorporated solely by this Commonwealth, shall be made and kept within the Commonwealth. The officer of every such company, whose duty it is to record transfers, shall, at the time of his election, be a resident of the Commonwealth. Whenever he ceases to be a resident therein, his office shall become vacant. — 1847.

21. *Dividends.* — Dividends of profits may be made by the directors every six months. — 1828.

22. *Dividends.* — Every corporation in the Commonwealth shall, in the month of January, 1838, and once in every five years after that time, publish a list of all dividends and balances which have remained unclaimed for two years or more, with the names of the persons to whom such are due. This publication to be made in three successive numbers of some newspaper published in Boston, and also in the county where the bank or corporation is located. — 1837.

23. *Real Property.* — No bank shall hold real estate to an amount exceeding twelve per cent. of its capital (exclusive of what may be taken on mortgage, or received in execution, or in payment of debts, or as security). The lands of any bank may be taken in execution and sold by public auction to the highest bidder; fourteen days' notice to be given to the public of such sale. — 1828.

24. *Real Property.* — Lands held by any bank under mortgage, may be seized on execution; and any debt, secured by such mortgage, and due to such bank, shall pass by deed of conveyance executed by the officer who shall levy such writ of execution. — 1828. The cashier or clerk of such bank shall, on application of the officer or judgment creditor, furnish a certified copy of the note or obligation secured by

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such mortgage, with its indorsements, and shall deliver said note of obligation to the purchaser thereof. — 1828. No sale or transfer of such note, obligation, or mortgage, made by the bank, after notice of execution, shall be valid against the purchaser at auction. — 1828.

25. *Trading.* — No bank shall use or employ any of its moneys, goods, chattels, or effects, in trade or commerce, — but may sell all kinds of property held by it in pledge. — 1828.

26. *Location.* — Every bank shall be kept in the town in which it is established, and in such part of the town as is prescribed by its charter. — 1828.

27. *Weights.* — The directors of each bank shall, once in five years, cause all its weights to be compared, proved, and sealed by the Treasurer of the Commonwealth, which shall supersede the sealing by other authorities. — 1828. *See also No.* 146.

28. *Legal Tender.* — No tender of gold, by any bank, weighed with weights other than those compared, proved, and sealed, as above, shall be legal; and the payer or receiver may also require that the gold shall be weighed in each scale, and the mean weight shall be considered as the true weight. — 1828.

29. *Liabilities.* — The total amount of debts owing by a bank shall not, at any one time, exceed twice the amount of its capital (exclusive of deposits not bearing interest). Nor shall there be due to a bank, at any time, more than twice the amount of its capital (exclusive of balances due to other banks). — 1828. *See Directors.*

30. *Bank Stock.* — The shares in any bank, insurance company, or any other joint-stock company, shall be liable to be attached on mesne process, and taken in execution and sold. — 1828.

31. *Circulation.* — The circulation of the bank shall not, at any one time, exceed its capital stock more than twenty-five per cent. — 1828.

32. *Annual Returns.* — The cashier of each bank shall, in every year, make a return of the state of the bank, as it existed on the first Saturday in such preceding month as the Governor may designate. Such returns to be transmitted to the Secretary of the Commonwealth within fifteen days, and to embrace the following details: —

State of _____ *Bank, on the first Saturday of* _____ 18
Two o'clock, P. M.

Due from the Bank.

Capital Stock paid in,
Bills in circulation of five dollars and upwards,
Bills in circulation less than five dollars,
Net Profits on hand,
Balances due to other banks,
Cash deposited, including all sums whatsoever due from the bank not bearing interest: its bills in circulation, profits and balances due to other banks excepted,
Cash deposited bearing interest,
Total amount due from the bank,

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Resources of the Bank.

Gold, silver, and other coined metals in its banking-house,
Real estate,
Bills of other banks incorporated in this State,
Bills of other banks incorporated elsewhere,
Balances due from other banks,
Amount of all debts due, including notes, bills of exchange, and all stocks and funded debts of every description, excepting the balances due from other banks,
Total amount of the resources of the bank,
Date, rate, and amount of dividends since the last annual returns,
Amount of reserved profits at the time of declaring the last dividend,
Amount of debts due to the bank, secured by pledge of its stock,
Amount of debts due and unpaid, and considered doubtful,

1828 – 1842.

33. *Authentication.* — The cashier shall make oath to the correctness of such return, and a majority of the directors shall certify and make oath that the books of the bank indicate the state of facts so returned by the cashier; and that they have full confidence in the truth of said return. — 1828.

34. *Penalty.* — Every bank, neglecting to furnish the returns as above prescribed and duly authenticated, shall forfeit, for the use of the Commonwealth, one hundred dollars for each and every day's neglect. — 1828.

35. *Printed Returns.* — The Secretary of the Commonwealth shall cause printed abstracts of such annual returns to be made as early as practicable, one copy of which to be transmitted by mail to the cashier of every bank in the Commonwealth; and shall furnish four printed copies of the form to the cashier of every bank, in the month of March or April annually. — 1828.

36. *Examination by the Legislature.* — Any committee appointed by the legislature to examine into the doings of any bank, shall have free access to its books and vaults; and if such committee determine that the bank has exceeded its powers, its charter may be declared forfeited by the legislature. — 1828.

37. *Liquidation.* — The directors, agents, or receivers, of every bank authorized to settle and close their concerns, shall annually, on the second Wednesday of January in each year, make a report to the legislature, stating the liabilities and the property of such corporation, with a full account of their receipts, payments, and doings. — 1847.

38. *Penalty.* — For neglect of the above, directors, &c., shall be liable to a penalty of twenty dollars for each day's neglect. — 1847.

39. *Liquidation.* — The charter of any bank shall be annulled whenever the stockholders thereof, at a legal meeting called for that purpose, may, by a majority of votes, so determine. — 1838.

Any bank that may avail itself of this act, shall be exempted from the

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liability to pay the bank tax, from and after the time a majority of the Bank Commissioners shall certify that said bank may, with safety to the public, proceed to close its concerns. — 1838.

Each stockholder shall be notified, by written or printed notification from the cashier, thirty days before the time of holding any meeting to be held for the purpose of annulling the charter. A similar notice to be published three weeks in a newspaper issued in the same town. — 1841.

40. *Requisite Vote.* — No charter of any bank shall be annulled, unless the number of votes in favor of surrendering the same shall be equal to a majority of the votes which could be cast if all the stockholders were present, or unless recommended by the Bank Commissioners. — 1841.

41. *Extra Privileges.* — If any new or greater privileges shall be granted to any bank, hereafter created, every bank in operation at the time of such grant shall be entitled to the same privileges. — 1828.

42. *By-Laws, &c.* — All corporations shall, where no other provision is specially made, be capable, in their corporate name, to sue and be sued, &c.; to have a common seal; to make by-laws and regulations for their own government and the management of their property. — 1833.

43. *Annual Meetings.* — If, from any cause, the name of any banks shall be omitted in the Bank Abstract, the annual meeting of such banks, for the year following such omission, shall be held, in the order of the dates of their charters, on the day or days succeeding that on which the annual meeting of the bank last named in said abstract shall have taken place. — 1848.

44. *Interest.* — Banks are entitled to charge at the rate of six per cent. per annum, on loans, "calculated and taken according to the established rules of banking," and to charge on drafts and on promissory notes, payable elsewhere, the existing rate of exchange. — 1828–38.

45. *Penalty.* — For every offence against the provisions of the preceding section, a bank shall forfeit five hundred dollars.

See also under "Directors," "Stockholders," &c.

II. Stockholders.

46. *Loans.* — No loan shall be made to any stockholder, until the full amount of his shares shall have been paid. — 1828.

47. *Shares.* — No person shall directly or indirectly hold or own more than one half of the capital stock of any bank, — exclusive of shares held as collateral security. — 1830.

48. *Special Meetings.* — The directors may call special meetings of the stockholders, as often as the interests of the corporation shall require. — 1828. Such special meetings should be called by the cashier, on the application, in writing, of the proprietors of one fifth part of the capital stock. Notice to be given as in the case of annual meetings. — 1828.

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49. *Loss of Capital.* — If any loss or deficiency of the capital stock shall arise from the mismanagement of the directors, the stockholders, at the time of such mismanagement, shall, in their individual capacities, be liable to pay the same. No one shall be liable to pay a sum exceeding the amount of stock held by him. — 1828.

50. *Liability of Corporations as Stockholders.* — Any corporation which is or shall be a stockholder in any bank, shall be liable, in its corporate capacity, to pay any loss or deficiency of the stock of such bank, arising from the official mismanagement of its directors; and also liable for the payment or redemption of all bills issued by such bank, and which bills shall remain unpaid when its charter shall expire, in the same manner as individual stockholders are liable in their individual capacities. — 1830.

51. *Failure.* — The holders of stock in any bank, at the time when its charter shall expire, shall be liable in their individual or corporate capacities, for the payment or redemption of all bills issued by such bank, in proportion to the stock they may respectively hold at such dissolution. — 1828.

52. *Recovery of Damages.* — Any stockholder of a bank, who shall have been obliged to pay any debt or demand against such bank, may have a bill in equity to recover the proportional parts of such sums as he may have so paid, from the other stockholders. — 1828.

53. *Special Examination.* — One eighth of the stockholders in number or in value may choose a committee of their own number to make an investigation of the condition of the bank; and upon their report and application, an injunction may be issued by one of the justices of the Supreme Court, upon inquiry into the circumstances. — 1843.

54. *Injunction.* — Any injunction granted as above may be dissolved or modified, after a full hearing upon the matters complained of. Such justice may appoint receivers or agents to take possession of the property of the bank, subject to rules prescribed by the Supreme Judicial Court. — 1843.

55. *Fraudulent Transfer.* — If any stockholder shall transfer his stock for the purpose of avoiding taxation, he shall forfeit one half of the par value of such shares. — 1843.

56. *Individual Liability.* — The holders of stock in any bank, at the time of its failure, shall be individually liable for the redemption of all bills of such bank issued and unpaid, in proportion to the stock they may respectively hold. — 1849.

57. *Fraudulent Transfer.* — If any shareholder, having reasonable belief that such bank is about to fail, shall transfer his shares, to avoid such individual liability, such transfer shall be void so far as respects such liability. — 1849.

58. *Illegal Transfer.* — If a stockholder in any bank, having reasonable cause to believe the bank insolvent, shall, within six months before the expiration of its charter, transfer the whole or part of his shares, with

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intent to avoid his liability for the redemption of its unpaid circulation, such transfer shall be void so far as respects such liability. — 1849.

See also Nos. 39, 61, 67, 70, 71.

III. Directors.

59. *Excess of Liabilities.* — If any bank shall become indebted beyond twice the amount of its capital (balances due to other banks being excepted, — *see Banks*), the directors for the time being shall in their private capacities be liable for such excess. — 1828.

60. *Exception.* — Directors who may be absent when such excess was contracted, or who dissent from such excess, may exonerate themselves by immediate notice of such absence or dissent, to either of the Bank Commissioners. — 1828 – 1838.

61. *Eligibility.* — No person shall become a director in any bank, unless he is a stockholder therein, and a citizen of and resident in the State. No person shall be a director in two banks at the same time. — 1828.

62. *Residence.* — A majority of the directors in every bank shall be residents within the county where the bank is established. — 1828.

63. *Number.* — No bank shall have less than five, nor more than twelve directors, — as shall be determined by their by-laws. — 1828.

64. *President.* — The directors shall choose one of their own number to act as President, and may make him such compensation as they shall think reasonable. — 1828.

65. *Number for Business.* — A majority of the directors shall always be necessary to constitute a quorum for doing business. — 1828.

66. *Time of Election.* — The directors shall be chosen annually, by ballot, at a meeting of the stockolders to be held on any day in the month of October. Public notice fourteen days previous to be given in some newspaper published in the county. And if there be no newspaper issued in the county, then in some paper published in Boston. — 1828 – 1838.

67. *Voting.* — Every stockholder shall be entitled to vote as follows : —

For one share, one vote.

For every two additional shares, one vote more.

Provided that no one stockholder shall have more than ten votes ; and absent members may vote by proxy. — 1828. No person, by virtue of proxies, to cast more than fifty votes. No director, cashier, or other officer, by virtue of proxies, in writing, to cast more than ten votes. — 1840.

68. *Vacancies.* — Vacancies occurring in the board of directors may be filled at any meeting of stockholders duly called for the purpose. — 1828.

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69. *State Directors.* — The Legislature may appoint directors in any bank wherein stock is held by the Commonwealth. Such directors to be in addition to the number appointed by the stockholders, and in proportion to the public stock held. — 1828.

70. *Annual Meeting.* — Where more than one bank is established in a town or city, the annual meeting for the choice of directors shall be held on different days in the different banks; beginning on the first Monday in October, and continuing on successive days, taking the banks in the order in which they are arranged in the Bank Abstract. — 1843. (*Penalty for non-compliance, five hundred dollars.*)

71. *Removal of Directors.* — Directors of a bank may be removed, and their vacancies filled, at any special meeting of the stockholders. The notification of such meeting shall state that a change in the board of directors is contemplated. — 1838.

72. *Record.* — The directors of every bank shall cause to be kept a record of the names and proceedings of all directors present, when assembled for discounting or for other business. — 1838.

73. *Limit to Loans.* — No bank shall have due to it, either directly or indirectly, from one of its directors (or from any partnership of which he is a member), as principal, surety, or indorser, a sum greater than eight per cent. of its capital, or more than forty thousand dollars; or from its whole board a greater sum than thirty per cent. of its capital (unless a larger sum is authorized by the stockholders at a legal meeting, — and such special vote shall be valid no longer than one year and thirty days, and shall name the greatest amount to be so authorized). — 1838.

74. *Pledged Stock.* — No person shall be a director whose whole stock in the bank shall be pledged. — 1838.

75. *Annual Return of the Bank.* — The annual return of each bank to the Secretary of the Commonwealth, shall be signed by and sworn to by the cashier; and a majority of the directors shall certify and make oath that the books of the bank indicate the state of facts so returned by the cashier, and that they have full confidence in the truth of said return. — 1828.

See also Nos. 12, 27, 33, 37, 48.

IV. Cashier and other Officers.

76. *By whom appointed.* — The directors shall appoint a cashier, clerks, and other officers, who shall be removable at the will of the board. — 1828.

77. *Cashier's Bond.* — The cashier, before he enters on the duties of his office, shall give a bond or bonds, with two or more satisfactory sureties, for the faithful performance of his duties. Such bonds not to be less than twenty thousand dollars. — 1828. (*By the Act of* 1828 *such bonds were not to exceed fifty thousand dollars, but by the Act of* 1838 *this limit was removed.*)

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78. *Legislative Examination.* — If an officer of a bank shall neglect or refuse to exhibit the books or property of the bank to any committee appointed by the Legislature to examine such bank, he shall be deemed guilty of a misdemeanour, and shall be punished by a fine not exceeding ten thousand dollars, or imprisoned not exceeding three years. — 1828.

79. *Jurors.* — Cashiers of incorporated banks are exempted from serving as jurors. — 1812. And cannot serve as directors. — 1838.

80. *Embezzlement.* — If any cashier, president, director, or other officer or agent of any bank, shall embezzle, or fraudulently convert to his own use, or fraudulently take or secrete, with intent to convert to his own use, any bullion, money, &c., or other property belonging to or in possession of such bank, he shall be punished by imprisonment in the State prison, not more than ten years; or by fine not exceeding one thousand dollars, and imprisonment in the county jail not more than two years. — 1824 - 1845.

81. *Loans.* — No cashier, nor any officer under him, shall be allowed to borrow money of the bank in which he is employed.

82. *Tax List.* — The cashier of every bank shall annually, between the first and tenth day of May, make returns in person or by mail to the assessors of every city or town in the Commonwealth in which any stockholders may reside, stating the name of such holder and the number of shares belonging to each on the first day of May; and the par value of such shares. — 1843.

83. *Penalty.* — For neglect to make such return correctly, such cashier shall forfeit the sum of fifty dollars for each offence. — 1843.

84. *Non-Residence.* — Whenever the cashier of any bank chartered by the Commonwealth shall reside beyond its limits, the directors of such bank shall furnish the list of shareholders as above defined. — 1844. (*Penalty for non-compliance, same as above.*)

See also Nos. 20, 24, 32, 33, 48, 75, 89.

V. Bank-Notes.

85. *Act of Limitations.* — Actions upon bills, notes, or other evidences of debt, issued by any bank, are not subject to the statute of limitations, which provides that certain "actions shall be commenced within six years next after the cause of action shall accrue." — 1786.

86. *Execution.* — Gold and silver coin may be taken in execution. Bank-notes and other issues of moneyed corporations, circulated as money, may be taken in execution, and may be paid to the creditor at their par value, if he will accept them; otherwise shall be sold as chattels. Chap. 97, § 20, 21.

87. *Redemption.* — If any bank shall refuse payment, in gold or silver, of any note or bill of such bank, presented for payment in the ordinary hours of business, the bank shall be liable for damages to the holder of such note or bill, at the rate of twenty-four per cent. per annum,

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for the time during which payment shall be delayed or refused. — 1828.

88. *Altered Notes.* — Every bank shall be liable to pay to any *bonâ fide* holder, the original amount of any bill of such bank, which shall have been altered to a larger amount. — 1828.

89. *Circulation.* — All bills shall be issued in the name of the president, directors, and company of the bank, and shall be signed by the president and cashier. All bills signed by either, circulated by the agency or neglect of any officer of the bank, shall be redeemed by the corporation. — The circulation of the bank shall not, at any one time, exceed its capital stock more than twenty-five per cent. — 1828.

90. *Small Notes.* — Every bank may issue bills under five dollars, equal to one fourth of its capital. No notes under one dollar shall be issued, under a penalty of one hundred dollars for each offence. — 1828.

91. *Illegal Issues.* — No bank shall issue any note, bill, check, draft or acceptance, certificate or contract, for the payment of money at a fixed day, except for money borrowed from the Commonwealth. — 1828.

92. *Penalty.* — Every bank which shall issue any bill, note, &c., redeemable otherwise than by specie and on demand, or payable at any other place than at its own banking-house, shall be liable to pay such bill, &c., on demand, in specie, at such bank, without demand elsewhere, — and, upon refusal to so pay, shall be liable to two per cent. per month damages until paid. (Checks on other banks for all sums over one hundred dollars, or for any balance due, *excepted.*) — 1828.

93. *Notes for Non-Circulation.* — No bank shall loan or issue any of its notes or bills with an express or implied agreement or understanding that they shall be kept from free circulation for a limited time, or that they shall not be put into immediate circulation, or that they shall not be returned to the bank for redemption within a limited time. For any violation of this act, the bank shall forfeit to the use of the Commonwealth not less than one quarter, nor more than one half, of such loan. — 1837.

94. *Counter Payments.* — No bank shall pay out from their own counter any bill excepting their own. — 1843. (*Penalty for non-compliance, five hundred dollars.*)

95. *Foreign Bank-Notes.* — No person shall be permitted to issue or pass any bill, note, &c., of any banks except such as are incorporated by the laws of the United States, or by one of the States, or by either of the British Provinces in North America, under a penalty of fifty dollars for each offence. 1804 - 1833.

96. *Shop-Bills.* — If any person shall engrave, print, issue, utter, or circulate, any shop-bill or advertisement, in similitude, form, and appearance like a bank-bill, on paper similar to paper used for bank-bills, and with vignettes, figures, or decorations used on bank-bills, or having the general appearance of a bank-bill, every suoh person shall forfeit (not exceeding) fifty dollars for every offence, or be imprisoned in the common jail not exceeding ninety days. — 1849.

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97. *Convicts.* — No convict sentenced to hard labor in any prison shall be employed in the business of engraving, or in any other employment incident to the making of bank-notes. — *April*, 1847.

See also No. 31, 51, 56.

VI. Interest.

98. *Rate.* — The interest of money shall continue at the rate of six dollars, and no more, upon one hundred dollars for a year; and at the same rate for a greater or less sum, and for a longer or shorter time. — 1825.

99. *Usury.* — No contract for the payment of money, with interest greater than six per cent., shall be void; but in an action on such contract, the defendant shall recover his full costs, and the plaintiff shall forfeit threefold the amount of the whole interest reserved or taken. — 1826.

100. *Penalty.* — Usurious interest that shall have been paid, may be recovered back threefold, either by an action of debt or by a bill in chancery; provided such action be brought within two years after such interest shall have been paid. — 1826. (For penalty exacted from banks for charging usurious rates, see *Banks.*)

101. *City Loans.* — Any bank is authorized to receive or pay legal interest on moneys deposited by, or loaned to, the city of Boston. — 1842.

102. *Usurious Interest.* — Whenever any bank shall charge or receive more than six per cent. per annum, and the existing rate of exchange, the Bank Commissioners, upon information, shall report such fact to the Treasurer, who shall forthwith prosecute said bank. — 1840.

See also Nos. 8, 44.

VII. Promissory Notes and Bills of Exchange.

103. *Statute of Limitation.* — Promissory notes, when signed in the presence of an attesting witness, provided the action be brought by the original payee, or by his executor or administrator, are not subject to the statute of limitations, which provides that "actions shall be commenced within six years next after the cause of action shall accrue." — 1786.

104. *Record of Offerings.* — A book shall be kept in every bank, in which shall be entered all notes and bills offered for discount, and specifying all that are discounted. — 1843. (*Penalty for non-compliance, five hundred dollars.*)

105. *Damages.* — Damages on protested inland bills of exchange shall be payable as follows: —

Bills payable in Maine, New Hampshire, Vermont, Rhode Island, Connecticut, or New York, ... *Two per cent.*

Bills payable in New Jersey, Pennsylvania, Maryland, or Delaware, ... *Three per cent.*

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Bills payable in Virginia or the District of Columbia, North Carolina, South Carolina, or Georgia, ... *Four per cent.*

Bills payable elsewhere within the United States or the Territories, ... *Five per cent.* — *April*, 1837.

Bills payable for one hundred dollars or more, at any place in Massachusetts, not within seventy-five miles of the place where drawn, *One per cent.* — 1819.

106. *Damages.* — Bills payable beyond the limits of the U. S., (excepting places in Africa, beyond the Cape of Good Hope, and places in Asia and the islands thereof,) shall pay the current rate of exchange when due, and *five per cent. additional.* — 1825.

Bills payable at any place in Africa beyond the Cape of Good Hope, or any place in Asia or the islands thereof, shall pay damages, ... *Twenty per cent.* — 1825.

107. *Grace.* — Bills of exchange, payable at sight, or at a future day certain, and promissory notes, &c., payable at a future day certain, within this State, shall be entitled to grace. — 1824.

108. *Exception.* — Bills of exchange, notes or drafts, payable *on demand*, are not entitled to days of grace. — 1824.

109. *Notes on Demand.* — On any promissory note payable on demand, made after this date, a demand made at the expiration of sixty days from its date, without grace, (or at any time within that period,) shall be deemed to be made within a reasonable time.

No presentment of such note to the promisor, and demand of payment, shall be deemed within a reasonable time, so as to charge the indorser thereof, unless made at or within the expiration of sixty days from its date. — 1839.

110. *Indorsers.* — Indorsers on notes payable on demand shall be liable, upon due and seasonable notice, as on notes payable at a fixed time. — 1839.

111. *Gaming.* — All notes, bills, bonds, mortgages, &c., executed wholly or in part for losses by gaming, betting, &c., shall be void as between the parties thereto, and as to all persons, except such as receive them in good faith and without notice of the illegality. — 1785.

VIII. Notaries Public.

112. Notaries Public shall be appointed by the Governor, in the same manner as judicial officers, and shall hold their office during seven years, unless sooner removed by the Governor, with the consent of the Council, upon the address of both houses of the legislature.

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Fees (established in 1839).

For protest of non-acceptance or non-payment of a bill of exchange, draft, check, note, &c., $ 500, or over, . .	$ 1.00
For recording the same, ...	50
For protest of a bill, note, &c., under $ 500, ...	50
For recording the same, ...	50
For noting the non-acceptance or non-payment of a bill of exchange, order, draft, check, note, &c., ...	75
For each notice of non-acceptance or non-payment, . .	25
☞ The protest and entire costs, on a bill or note, &c., of $ 500 or upwards, not to exceed	$ 2.00
Under $ 500, not to exceed	1.50
The whole cost of *noting*, notices and recording of any note or bill, not to exceed	1.25

113. *Protests.* — Bills of exchange, drafts, or promissory notes due on Sunday, Thanksgiving or Fast Day, or on the Fourth of July, must be protested on the day preceding. — 1838.

114. *Notice.* — Notice of protest of such paper may be made on the day following such Sunday, &c. — 1838.

115. *Death of Notaries Public.* — On the death, resignation, or removal from office of any notary public, his records, together with all his official papers, shall be deposited in the office of the clerk of the Court of Common Pleas for the same county in which such notary public resided. — 1798.

116. *Penalty.* — If any notary public, on his resignation or removal from office, shall, for the space of three months, neglect to deposit his records and official papers as above prescribed, he shall forfeit a sum not exceeding five hundred dollars. — 1798.

IX. Bank Commissioners.

117. By the Act of May, 1849, the Governor and Council are authorized to appoint three Bank Commissioners, to remain in office till January, 1851.

118. *Duties.* — The Commissioners, or any two of them, to visit any bank in the Commonwealth whose charter will expire in 1851; with power to examine the vaults, books, papers, and the affairs of such corporations.

119. *Witnesses.* — In making such examinations, the Commissioners may summon and examine, under oath, all the officers of such banks, and other persons, in relation to the conduct and affairs of such banks.

120. *Oath of Office.* — The Commissioners severally to take oath that they will faithfully and impartially discharge the duties assigned to them.

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121. *Laws.* — The Commissioners are authorized to examine the general laws of the Commonwealth relating to banks and banking, and to report what alterations they consider would be mutually advantageous to the banking institutions and the community.

122. *Insolvencies.* — If the Commissioners shall be of opinion that any one of said banks is insolvent, or its further progress hazardous to the public, or if the bank has not complied with the statutes, such bank shall not be entitled to a renewal of its charter.

123. *Loans.* — No Bank Commissioner shall incur any new liability, as principal, surety, or indorser, at any bank in the Commonwealth. — 1842.

124. *Special.* — Whenever a bank may determine to surrender their charter, and in any case in which a bank is authorized to reduce their capital, the Governor and Council shall appoint a special Commissioner. — 1843.

125. *Compensation.* — Each of the Bank Commissioners shall be entitled to five dollars per day, while employed as such, and one dollar for every ten miles travelled in the performance of his duties under the law. — 1843.

See also Nos. 12, 101.

X. Forgery.

126. The passing wilfully of counterfeit bank bills, or attempt to pass such, shall be punished by imprisonment in the State prison, not more than five years; or by a fine not exceeding one thousand dollars, and imprisonment in the county jail not more than one year. — 1804.

127. The forgery of notes, certificates, or other bills of credit, issued by the Commonwealth; or of any bank bills or promissory notes; or the counterfeiting of gold or silver coins, shall be punished by imprisonment for life, or for any term of years. — 1804.

128. Any person having possession of ten or more forged or counterfeit bills, or notes, knowing them to be such, shall be punished in like manner. — 1804.

129. The engraving, or making, or mending counterfeit plates, blocks, moulds, dies, &c., or furnishing paper therefor, shall be punished by imprisonment in the State prison not more than ten years; or by a fine of one thousand dollars, and imprisonment in the county jail not more than two years. — 1804.

130. The fraudulent connection of different parts of several bank notes, &c., with a view to produce an additional instrument, with intent to pass them as genuine, shall be deemed a forgery. — 1804.

131. The affixing fictitious or pretended signatures to notes, drafts, &c., with intent to pass them as genuine, shall be deemed forgery. — 1804.

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132. Any person who shall pass, or attempt to pass, or have in possession, counterfeit gold or silver coin, less than ten pieces in number, shall be punished by imprisonment in the State prison, not more than ten years; or by fine not over one thousand dollars, and imprisonment in the county jail not more than two years. — 1804.

133. Any person convicted twice of this offence, or convicted upon three distinct charges of the same offence, shall be punished by imprisonment in the State prison, not more than twenty years. — 1804.

134. Any person who shall pass, &c., *more than ten pieces* of counterfeit gold or silver coin, &c., shall be imprisoned in the State prison for life, or for any term of years. — 1804.

135. *Bills of Exchange.* — The forging, altering, &c., any bill of lading, bill of exchange, promissory note, &c., or indorsement thereon, shall be punished by imprisonment in the State prison, not more than two years, or in the county jail not more than two years. — 1804.

XI. Miscellaneous.

136. *Stock Gambling* — All contracts, written or oral, for the sale or transfer of any certificate or other evidence of debt due by or from the United States, or any separate State, or of any stocks, or of any share or interest in the stock of any bank, or of any company, city, or village incorporated under any law of the United States, or a State, shall be absolutely void, unless the party contracting to sell or transfer the same shall, at the time of making such contract, be the owner or assignee thereof, or shall be duly authorized by the owner or assignee, or his authorized agent, to sell or transfer such certificate, &c. — *April* 16, 1836.

137. *Guardians, Trustees, &c.* — No persons holding stock in any corporation, as executors, administrators, guardians, or trustees, shall be personally subject to any liabilities as stockholders of such corporation; but the estates and funds in the hands of such executor, &c., shall be liable in their hands in like manner, and to the same extent as the testator, ward, &c., interested in such trust fund would have been, if they had respectively been living and competent to act.

138. *Voting.* — Every such executor, &c., shall represent the shares or stock in his hands at all meetings of the corporation, and may vote as a stockholder.

139. *Collateral Security.* — In all transfers of stock in any corporation hereafter made as collateral security, the debt, &c., which such transfer is intended to secure, shall be substantially described in the deed or instrument of transfer; and any certificate of stock which shall be issued to any holders of such collateral security, shall express, on the face of it, that the same is so holden; and the name of the pledgor shall be stated therein, and he alone shall be responsible as a stockholder.

140. *Duty of Transfer Officer.* — It shall be the duty of the treasurer, cashier, or other officer having the custody of transfers, upon the

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written request of a creditor of the general owner of stock pledged, to exhibit to him the record of such transfer; and in case of refusal, and of any loss to such creditor by reason thereof, such corporation shall be liable to the creditor for the amount of such loss. — *April* 10, 1838.

141. *Stock Liable for Taxes.* — Shares or interest in any corporation may be seized and sold for the neglect or refusal of such stockholder to pay his taxes.

Such seizure may be made by leaving with any officer of the corporation, with whom a copy of a writ may by law be left when the share is attached on mesne process, an attested copy of the warrant, with a certificate thereon, under the hand of the collector, setting forth the sum which such stockholder is to pay as his tax, and that, upon his neglect or refusal to pay said tax, he has seized said share or interest.

The sale of such share, &c., shall be made as prescribed by law for the sale of goods by collectors of taxes. — *April* 8, 1846.

142. *Moneys at Interest.* — Personal estate shall, for the purposes of taxation, include all goods, moneys, and effects, &c., whether at home or abroad, all moneys at interest, due the persons to be taxed, more than they pay interest for; all debts due to them more than they are indebted for; all public stocks and securities, &c. — 1830. *R. S., Chap.* 7, § 4.

143. *Attachment.* — Any share or interest of a stockholder in any bank, &c., may be attached by leaving an attested copy of the writ, and of the return of the attachment, with the clerk, treasurer, or cashier, or with any officer who has at the time the custody of the books and papers of the corporation. Such share or interest so attached shall be held as security to satisfy the final judgment in the suit. *R. S., Chap.* 90, § 36.

144. *Testimony of President, &c.* — In all prosecutions for forging or counterfeiting any notes or bills of banks, or for altering, publishing, tendering, &c. such, the testimony of the president and cashier of such bank may be dispensed with if their place of residence shall be out of this State, or more than forty miles from the place of trial; and the testimony of any person acquainted with the signature of the president or cashier of such bank, or who has knowledge of the difference in the appearance of the true and the counterfeit bills, may be admitted to prove that any such bills or notes are counterfeit. *R. S., Chap.* 127, § 10.

145. *Collateral Stock.* — It shall be the duty of the cashiers of the several banks, treasurers of savings funds, and clerks of insurance companies, annually between the first and tenth day of May, to make returns, in person or by mail, to the assessors of every city and town in this Commonwealth, in which any borrower of money, on the collateral security herein mentioned, shall reside, in manner following, namely: — The return shall state the number of shares of corporate stock, of any and all kinds, held by such corporation as collateral security for the debt or liability of such person, residing in such city or town, on the first day of May in that year; giving the name of such person, the number of shares,

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the denomination of such stock, and the par value thereof, if known to the officer making the return. — *April* 17, 1849.

146. *Weights and Measures.** — The several avoirdupois and troy weights and balances, procured from the government of the United States for this Commonwealth, for the purpose of being used as standards, shall hereafter be used as the sole authorized public standards of weights and measures of this Commonwealth, and shall be in the care and custody of the treasurer of the Commonwealth. — *April* 23, 1847. *R. S., Chap.* 242, § 1.

The preceding synopsis has been prepared with a view of furnishing in a compact form, for the especial use of bank directors and bank officers, a key to the existing statutes of the Commonwealth. We believe the summary will be acceptable more particularly to the junior officers of banks, who have not, generally, a ready access to the published statutes, and who are now preparing themselves for future promotion and for prominent positions in our banking institutions. The synopsis will no doubt be useful also to bank presidents, cashiers, and directors, because it exhibits, under proper heads, the legal liabilities of each class, which could otherwise be ascertained only by consulting the bulky volumes of the Revised Statutes: these latter making together upwards of sixteen hundred pages. The preceding pages do not contain the laws *verbatim*, but only the leading points of the laws as now in force. — Ed. B. M.

"The best security against mismanagement of banking affairs must ever be found in the capacity and integrity of those who are intrusted with the administration of them, and in the caution and prudence of the public: *but no legislative regulation should be omitted which can increase and insure the stability of establishments upon which commercial credit so much depends.*"

* Weights and Measures. — The contract for the manufacture of weights and measures to be used in Massachusetts was taken by Messrs. Howard and Davis, 34 Water Street, Boston. This firm, together with their immediate predecessors, have manufactured the scales and weights now used by all the banks in the city of Boston, and by nearly (if not quite) all in the interior of the State.

Supreme Judicial Court Decisions. — In order to obtain a full understanding of the laws respecting stockholders and their liabilities for insolvent banks, and upon other topics, our readers are referred to pages 614, 615 of our second volume, and pages 43, 277, 466, 467, 468, and 896 of our fourth volume. In the reported cases therein will be found decisions wherein the stockholders of the State Bank, Boston, the Nahant Bank, the Chelsea Bank, the Boylston Bank, the Waltham Bank, the Phenix Bank, and of other institutions, were concerned. Bank officers, directors, and stockholders should be familiar with these cases. Decisions of the Supreme Judicial Court of Massachusetts, upon numerous topics interesting to banking institutions will be found in the volumes of this work, viz.: —

Vol. I. pp. 13, 93 *et seq.*, 136, 220, 353 *et seq.*
Vol. II. pp. 160, 167, 365, 614.
Vol. IV. pp. 42, 62, 277, 408, 465, 595, 896.
Vol. V. pp. 127, 232, 234, 350.

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MANUFACTURES IN VIRGINIA.

A committee of Miners and Manufacturers from Maryland, Virginia, &c., was held at Richmond in December last, to take into consideration the interests of these important classes.

Extracts from the Report of the Committee on Cotton and Woollen Manufactures.

As far as your committee are informed, there are in the State of Virginia twenty companies, incorporated and private, engaged in the manufacture of cotton, with an aggregate capital of $ 1,800,000. When in full operation, these companies employ about 54,000 spindles, producing generally coarse yarns, and sold as such, or converted into shirtings, sheetings, and osnaburgs. It is not known to the committee that there is a single factory designed for the production of yarns of a higher number than twenty.

For many months past these have not been in full operation. At present about 7,000 spindles are running $\frac{3}{4}$ time; 8,000 spindles $\frac{1}{3}$ time; about 22,000 spindles at full time, at $\frac{3}{4}$ wages to the operatives; 6,000 spindles stopped; and the remainder of the 54,000 spindles believed to be either working short time, or are entirely idle. From the facts gathered by the committee, they are of opinion that the present production is about one half the capacity of the mills, and that the entire capital invested in cotton mills in Virginia will be found to have paid no profit to the stockholders or proprietors for the years 1849 and 1850. The very few mills which have paid small dividends in the early part of the year 1849 will be much more than balanced by the losses of others. There can be no doubt that large losses have accrued upon the entire capital invested in cotton manufacturing in this State.

In Maryland, your committee find the state of things, if possible, worse than in our own State; and your committee submit in evidence a synopsis of the factories in that State, which will show a very large proportion either entirely idle or working short time: —

Whole number of cotton factories, ...	28
Working short time, ...	18
Working full time, ...	2
Entirely idle, ...	8

The total production less than half the capacity of the mills.

Of the two woollen factories in Maryland, the Franklin Mills are at work, and the Calverton Mills are working half-time. In Virginia there are ten woollen factories, running thirty sets of machinery, and having a capital of $ 275,000. The exact state of the Virginia woollen factories the committee were unable to ascertain.

Extracts from the Report of the Committee on the Coal and Iron Trades.

We have to say, in regard to the coal trade, that while the government, during the last year, has gained some $ 40,000 of additional income by the increased importation of foreign coal and iron under the tariff of 1846, Virginia has lost at least $ 200,000 by diminished production; she

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has lost in addition the profits which would accrue to her works of internal improvement from the carriage of the additional quantity of coal: and she has lost what is incalculably more than all these, — she has postponed the development of her resources, allowing other States to pass her and put her back in the great career of improvement which belongs to this age, — peculiarly to this country.

This remark applies with equal force to the iron trade of Virginia, of which, if properly developed, it would be difficult to overstate the importance; yet which, though greatly superior in natural advantages to the same trade in Great Britain, is wholly unable under the tariff of 1846 to compete with Scotland or Wales.

It is a matter of not less mortification than astonishment that Virginia, with an area of coal measures covering not less than 21,000 square miles, very much of which lies on or near navigable waters, and capable of yielding all the varieties of British coal, and of equal quality, should be reduced to the actual production of less than 200,000 tons of the value of $ 650,000, while Great Britain, with little more than half the extent of coal measures, produces annually 37,000,000 tons, of about the value of $ 37,000,000 at the mines, and $ 180,000,000 at the markets of sale.

And in regard to the iron trade, while Virginia has an unlimited supply of the finest ores, easily accessible for use and transportation, with the greatest abundance of coal, wood, and limestone for their manufacture, yet under the operation of the present revenue laws of the country, her production, in spite of all the efforts of the State to encourage it, has shrunk to an inconsiderable amount, and is in danger of utter ruin.

The imports of British iron during the last year were about 320,000 tons, requiring for its manufacture nearly 1,500,000 tons of coal, more than 1,000,000 tons of ore, and about 400,000 tons of limestone; all this, and more than all this, Virginia could easily have furnished, and to that extent have developed her mineral wealth and encouraged her industry, and yet she has hitherto been content to leave to Great Britain the profits of its production, although the duty paid by Virginia on the imported product would have been equal to five per cent., — ninety-five per cent. of the whole import being made north of Mason & Dixon's line, and there consumed.

Atlantic Cities and the West, — Railroad Connections. — Our readers are familiar with the great rival lines of railway, conecting the Ohio and Mississippi Valleys with the Atlantic, which are being rapidly extended from Boston, New York, Philadelphia, Baltimore, and Richmond; but are they aware that a line extending from the cities of Charleston and Savannah will soon reach the Ohio River at Louisville, and then north as far as Chicago?

A railroad from Charleston to Chattanooga, 448, and from Savannah to Chattanooga, 432 miles, is built and in operation. From Chattanooga to Nashville, 130 miles, the road is graded and the iron purchased and now being laid. From Nashville to Louisville, 150 miles, the road is not undertaken, but Louisville has subscribed $ 500,000 towards it. From Louisville to Jeffersonville and Columbus (Ind), 67 miles, it is partly finished and guaranteed by Louisville. From Columbus to Indianapolis, 42 miles, in operation; and from Indianapolis to Lafayette, 63 miles, it is nearly graded. — *Cincinnati Gazette.*

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STATE FINANCES.

Ohio.

Extract from the Annual Report of the Governor of Ohio, December, 1850.

The following is a summary statement of the receipts and expenditures of the fiscal year ending on the 15th November, 1850: —

Receipts.

General revenue received during the year 1850,	$ 275,901.02 0
Canal tax, including $ 125,000 Sinking Fund,	988,433.29 0
Canal tolls and water rents,	728,085.73 0
Turnpike and canal dividends,	29,838.20 0
Canal lands sold,	42,691.43 0
Surplus revenue repaid,	177,213.85 1
School and ministerial lands sold,	68,834.87 9
School fund transferred from taxes collected,	50,000.00 0
Interest on surplus revenue fund,	53,741.88 3
Tax on banks and insurance companies,	56,428.95 0
Tolls upon Western Reserve and Maumee Road,	12,043.93 0
National Road tolls,	37,060.11 0
Miscellaneous items,	16,225.13 0
Total amount of receipts during the year,	$ 2,536,558.40 3
Balance in the Treasury on the 15th November, 1849,	555,435.40 3
Total receipts,	$ 3,091,993.80 6

Expenditures.

Paid General Assembly, judicial and State officers, State institutions, claims, and incidental items,	$ 391,186.48 1
Paid for repairs of public works,	329,595.00 0
Repairs of National Road, &c.,	47,242.66 0
Interest on domestic bonds,	23,694.66 0
Interest on foreign debt,	1,022,358.95 0
Common school fund distributed,	200,000.00 0
Interest on special school and trust funds,	97,272.81 0
One per cent. on surplus revenue,	8,530.36 1
Three per cent. fund paid,	13,246.57 0
On account of next January interest,	143,332.48 0
Fund Commissioners on account of State debt,	657,886.02 0
Claims transferred to the Attorney-General for collection,	13,382.02 0
Domestic bonds redeemed by the Treasurer,	5,400.00 0
Miscellaneous items paid,	2,709.67 3
Total amount drawn from the Treasury,	$ 2,960,927.68 5
Balance remaining in the Treasury on the 15th November, 1850,	132,066.12 1
Total expenditures,	$ 3,092,993.80 6

Public Debt of Ohio.

The total amount of the State debt which would have become due on the 31st day of December, 1850, payable in the city of New York, was

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$ 4,385,650.76. As no means had been provided for the payment of this debt, it was deemed desirable by the General Assembly to extend the time of payment by issuing new stocks for the redemption of the certificates becoming due. Accordingly, under the authority of the act "to authorize the Canal Fund Commissioners to exchange certain certificates of the funded debt of this State," passed on the 21st March, 1849, and the act amendatory thereto, passed on 19th March, 1850, the Fund Commissioners have issued $ 1,025,000 of five per cent. stock, payable in the city of New York, at the pleasure of the State after the 31st day of December, 1865, $ 1,516,468.43 of six per cent. stock, payable after the 31st of December, 1870, and $ 1,600,000 of six per cent. stock, payable after the 31st of December, 1875. The premiums received upon the new stock amounted to more than three hundred thousand dollars, after the payment of all charges and expenses. In addition to this premium, $ 625,000 of the six per cent. stock has been reduced to a five per cent. stock; thus saving in interest nearly an additional hundred thousand dollars. The foreign debt of the State on the 1st day of January, 1850, was $ 16,880,982.50. This debt, on the 1st day of January, 1851, will be $ 16,566,773.69; being a reduction during the year of $ 314,208.81.

There are now in the hands of the Fund Commissioners and in the Treasury, subject to their control, surplus revenue, sinking funds, land funds, and other means, exceeding seven hundred thousand dollars, which are applicable to the payment of the balance of seven per cent. stock. It is not, therefore, deemed necessary to make any further provision for the payment of the stock becoming due in 1851. The means already in the hands of the Fund Commissioners, with the revenues and resources of the current year, will enable the Commissioners promptly to pay the balance of the one million five hundred thousand dollars seven per cent. stock, due on the 31st December, 1851.

On the 1st of July, 1845, the amount of the State debt, as stated by the Fund Commissioners in their report of January, 1849, was $ 20,566,515.68.

The total amount of the debt of the State on the 1st day of January, 1851, will be as follows: —

Foreign debt,	$ 16,566,773.69	
Domestic bonds,	493,824.00	
School and trust funds,	1,683,996.63	
		$ 18,744,594.32
Amount of principal paid since 1st July, 1845,		1,273,921.36
Add to this the funds now in the hands of Commissioners, and in the Treasury, set apart for the payment of the foreign and domestic debt as it becomes due,		750,000.00
Total amount paid and in hand, appropriated to the payment of the State debt within the past five years,		2,023,921.36

Thus it will be seen, by the operation of our present financial system and the increasing wealth of the State, our public debt will silently but steadily diminish, and in a few years be extinguished.

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Finances of Indiana.

From information furnished by Messrs. Winslow, Lanier, & Co.

The arrangement of the State debt of Indiana, at the time of the making of the loan of $ 800,000 for the completion of the Wabash and Erie Canal, placed upon the market no less than eight descriptions of stock, under various titles and of different values. We have been at some pains to obtain the following information in regard to these various stocks and their market value, that our readers, who may be holders or buyers, may act understandingly. Under the funding arrangement, the State debt was divided into two parts, one to be called "Indiana State Stocks," and provided for by taxation, and for which the State faith is pledged; and the other called "Indiana Canal Stocks," and for which the Wabash and Erie Canal lands, &c., are pledged. Under this arrangement, for each bond, and its accrued interest, the holders received: —

1. For one half the principal a certificate for $ 500, bearing interest at five per cent. payable half-yearly, commencing in July, 1847; four per cent. in cash, and one per cent. funded to 1853; after 1853, the whole payable in cash.

2. For one half of the back interest a certificate for $ 150, bearing interest at the rate of two and a half per cent. after 1853.

These stocks are payable by the State.

3. For the other half of the principal, a certificate for $ 500, bearing five per cent. interest after the 1st of January, 1847.

4. For the other half of the back interest, a certificate of $ 150, bearing five per cent. interest after the 1st of January, 1853.

These stocks are payable out of the revenues of the Canal.

There then exists the following debt and stocks pertaining to the State of Indiana: —

1st. Indiana bonds, so long as there are any not converted.

2d. The Indiana Canal loan, bearing six per cent. interest, issued for the eight hundred thousand dollar loan.

3d. The Indiana State five per cent. stock, issued for half the principal.

4th. The Indiana State two and a half per cent. stock, issued for half the interest.

5th. The Indiana Canal five per cent. preferred stock, issued for half the principal to subscribers.

6th. The Indiana special five per cent. preferred stock, issued for half the interest to subscribers.

7th. The Indiana Canal five per cent. deferred stock, issued for half the principal to non-subscribers.

8th. The Indiana special five per cent. deferred stock, issued for half the interest to non-subscribers.

The Canal stock issued to subscribers to the loan is called "Preferred Canal Stock," and will be first paid, both principal and interest, out of the Canal revenues, before any payment of either will be made upon the Canal stock issued to non-subscribers.

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The amount of these stocks is as annexed : —

STATE.

Five per cent. State stock, paying 4 per cent. until 1853,	$ 4,941,000
Two and a half per cent. do., interest after January 1, 1853,	1,775,600

CANAL.

Six per cent. Canal loan,	$ 815,850
Preferred Canal interest, 5 per cent. from January 1, 1847,	4,079,500
Special preferred Canal stock, interest 5 per cent. from January 1, 1853,	1,215,825
Deferred Canal stock, interest from January 1, 1847,	861,000
Special deferred Canal stock, interest from January 1, 1859,	250,600

Old Indiana bonds outstanding, and unconverted, $ 1,186,000, and interest from 1841. This amount of outstanding bonds, namely, $ 1,186,000, is convertible, as of January 1, 1851, into the following stocks, viz. : —

Five per cent. Indiana State, interest 4 per cent. from Jan. 1, 1851, to Jan. 1, 1853,	$ 593,000
Two and a half per cent. Indiana State, interest from Jan. 1, 1853,	308,360
Deferred Canal five per cent., interest from Jan. 1, 1847,	593,000
Special deferred Canal five per cent., interest from Jan. 1, 1853,	177,900

Thus the Canal preferred stocks, bearing five per cent. interest from 1847, issued to the subscribers to the advance of $ 800,000 for the completion of the Wabash and Erie Canal, in Indiana, to Evansville, on the Ohio River, form the first lien on the revenues of the Canal and the proceeds of the Canal lands, after refunding the advance of $ 800,000. No more preferred stocks can be issued, the books being closed.

The Canal is in operation a distance of 268 miles in Indiana.

The tolls for the year ending 1st November, 1850, were	$ 157,170.95
For same period, 1849,	134,659.03
Increase,	$ 22,511.92

Increase $ 22,511.92, less $ 2,228.36 received at the new office opened at Terre Haute during the summer ; the balance of tolls for both years having been received on the same length of line. The increase in 1850 would have been much greater if the price of grain had not been so low as to induce farmers to hold back their crops. There remains a large quantity in the country which must come out in the spring. The cash receipts for sales of land amounted in 1850 to nearly $ 100,000. The quantity of land on hand, according to the last circular from the Trustees' office, was 856,498 acres, the appraised value of which was $ 1,973,512.53. There remain to be completed about ninety miles of canal, running through one of the richest and most fertile regions of country in the Western States. This portion is now under contract for its entire completion. The work is going forward with great vigor, and the entire line is expected to be opened to Evansville early in 1852. The southern portion of this great work will be navigable throughout the entire year. It is estimated that, after the completion of the Canal, there will remain on hand lands to the value of $ 1,000,000, *equal* to 25 per

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cent. on the whole debt. Estimating the net receipts of tolls during the current year at $ 100,000, the revenue would be sufficient, if applied to that purpose, to pay 2½ per cent. on the amount of preferred Canal stock. What may be expected when the work is completed to the Ohio River, and the outlet opened for the produce of all the southern part of Indiana?

The market value of these different stocks is as follows: —

Indiana old bonds with accrued interest coupons thereon from (and including that due on) 1st July, 1841, 55 per cent. or $ 550 for each bond of $ 1,000, and all their arrears of interest.

Indiana Canal six per cent. loan, interest payable 1st July and 1st January, at the office of the Trustees in this city. 88 per cent. last sales, — 90 now asked.

Indiana five per cent. State stock, 81 offered, — 82 asked; January interest off.

Indiana two-and-a-half per cent. State stock; sales at 39. (Interest on them commences in 1853.)

Indiana Canal preferred five per cent. Sales at 30 per cent. (All interest from 1st January, 1847, goes to the buyer.)

Indiana special preferred five per cent. Canal stocks. Sales 15 per cent. (Interest on them commences in 1853.)

Indiana deferred Canal five per cent. stock. Sales at 10 per cent. (Interest on them accrues from 1st January, 1847, but is not to be paid till preferred stocks are fully provided for.)

Indiana special deferred five per cent. Canal stocks. (Interest commences to accrue after 1853, but not to be paid till preferred stocks are all provided for.) 6 to 8 per cent.

In connection with the above, we add the estimate of Governor Wright of the receipts and expenditures of the State of Indiana for the financial year 1851: —

Estimated revenue,	$ 490,000

Expenditures.

State government,	$ 90,000	
Convention,	70,000	
Benevolent societies,	60,000	
July interest, 1850,	93,000	
January interest, 1851,	100,000	
Scrip redeemed,	77,000	
		$ 490,000

Kentucky.

Governor Helm, in his message to the legislature, which has just assembled, represents the financial affairs of the State as in a prosperous condition. The revenue is abundantly sufficient to meet the ordinary demands upon the treasury, and will furnish a handsome surplus to be applied toward the payment of the public debt, which is as follows: —

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Now due,		$ 545.90
Of bonds bearing 5 per cent. interest there will fall due in 15 years, the sum of	$ 241,000.00	
In 16 years, the sum of	100,000.00	
In 21 years, the sum of	145,000.00	
In 28 years, the sum of	100,000.00	
Total amount of 5 per cent. bonds,		$ 586,000.00
Of bonds bearing 6 per cent. there will fall due in 18 years the sum of	$ 1,250,000.00	
In 20 years, the sum of	447,500.00	
In 21 and 23 years, the sum of	1,738,000.00	
In 24 years, the sum of	150,000.00	
In 26 and 28 years, redeemable after 15 years, at the pleasure of the State,	69,000.00	
The Craddock fund, 6 per cent.,	6,592.81	
Total amount of 6 per cent. bonds to fall due,		3,661,092.81
Total amount of public debt due to individuals and corporations other than the commissioners of the school fund,		$ 4,247,637.71

In addition to this sum, bonds to the amount of $ 250,000 were issued in payment for stock of the Northern Bank.

The surplus of the sinking fund, applicable to the reduction of the debt, for the year 1850, is estimated at $ 78,225.35, and the Governor says that the annual surplus hereafter may be set down at $ 65,000 to $ 75,000, while it may amount to $ 100,000. This is on the supposition that the interest on the school fund is no longer made a charge on the sinking fund. That this is the intent of the new constitution, the Governor has no doubt.

At the highest sum named, the operation of the fund would be to reduce the debt $ 2,567,352 in fifteen years, leaving a remainder of $ 1,680,285. Toward paying this the State has, beside her investment on the rivers and turnpike roads, bank stock $ 1,020,500, stock in Lexington and Frankfort Railroad $ 150,000, the bond of the Louisville and Frankfort Railroad for $ 76,420, — making an aggregate of $ 1,246,920; which, if it could be applied to the payment of the debt due at the end of fifteen years, would leave but $ 433,365 due and unpaid.

LEGAL TENDER IN FRANCE. — *Paris, December 12th*, 1850. — Let me refer you to a copious article of the *London Morning Chronicle*, on French Californian speculations, in which are very inauspicious notions of the future product of gold, and the fate of European emigrants. Last week we counted twenty-seven prosecutions in Paris of Californian societies. The *Times* speculates on the destinies of gold in Europe, as to value, and argues that the depreciation as to silver will continue. It assumes that "California, three years old, is already yielding ten millions sterling a year." The standard *Napoleon* of twenty francs is now at par, in Paris, with bank paper. Not many weeks ago, I paid eighteen francs premium on the thousand francs in Napoleons! The French Minister of Finance is making inquiry into the amount of gold, in whatever shape, exported from California, with a view, it is supposed, to the idea of an immediate abolition by the Assembly of the law which renders gold, equally with silver, a legal tender. But a political alarm in this capital, which may occur like the storm at sea from the ox-eye, however serene for the moment the general aspect of the skies, would at once beget an earnest demand for the Napoleons. — *Paris Correspondent of the New York Journal of Commerce.*

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BANK CAPITAL OF CITIES IN THE UNITED STATES.

Compiled from the Latest Returns.

December, 1850.

Maine.

	No. of Banks.	Capital.
Augusta,	3	$ 213,000
Bangor,	6	650,000
Bath,	3	275,000
Belfast,	1	50,000
Biddeford,	1	150,000
Brunswick,	1	60,000
Calais,	1	50,000
Eastport,	1	75,000
Gardiner,	1	100,000
Hallowell,	1	75,000
Portland,	5	1,025,000
Saco,	2	175,000
Skowhegan,	1	75,000
South Berwick,	1	100,000
Thomaston,	2	150,000
Topsham,	1	50,000
Waldoboro,	1	50,000
Waterville,	2	175,000
Wiscasset,	1	50,000
Total,	35	$ 3,548,000

New Hampshire.

Charlestown,	1	$ 90,000
Claremont,	1	60,000
Concord,	2	180,000
Dover,	2	175,000
Exeter,	1	100,000
Keene,	2	200,000
Lancaster,	1	50,000
Lebanon,	1	100,000
Manchester,	2	210,000
Meredith,	1	50,000
Nashua,	1	100,000
New Ipswich,	1	100,000
Portsmouth,	3	470,000
Rochester,	1	100,000
Somersworth,	1	120,000
Winchester,	1	100,000
Total,	22	$ 2,205,000

Vermont.

Bellows Falls,	1	$ 100,000
Bennington,	1	75,000
Brandon,	1	40,000
Brattleboro,	1	150,000
Burlington,	4	525,000
Chelsea,	1	50,000
Danville,	1	75,000
Irasburg,	1	30,000
Manchester,	1	50,000
Middlebury,	1	75,000
Montpelier,	2	200,000
Orwell,	1	100,000
Poultney,	1	50,000
Proctorsville,	1	50,000
Rutland,	1	100,000
St. Albans,	1	50,000
St. Albans Bay,	1	70,000
St. Johnsbury,	1	100,000
Sheldon,	1	50,000
Vergennes,	1	100,000
Wells River,	1	75,000
Windsor,	1	50,000
Woodstock,	1	60,000
Total,	27	$ 2,225,000

Massachusetts.

Boston,	30	$ 21,760,000
Abington,	1	100,000
Andover,	1	250,000
Attleborough,	1	100,000
Beverly,	1	125,000
Blackstone,	1	100,000
Brighton,	1	250,000
Cambridge,	2	200,000
Canton,	1	100,000
Charlestown,	1	200,000
Chicopee,	1	150,000
Concord,	1	100,000
Chelsea,	1	100,000
Danvers,	3	390,000
Dedham,	1	200,000
Dorchester,	2	200,000
Fairhaven,	1	200,000
Fall River,	2	400,000
Falmouth,	1	100,000
Fitchburg,	2	300,000
Framingham,	1	200,000
Gloucester,	1	200,000
Great Barrington,	1	100,000
Greenfield,	2	350,000
Haverhill,	3	430,000
Hingham,	1	100,000
Lancaster,	1	125,000
Lawrence,	1	300,000
Lee,	1	100,000
Leicester,	1	100,000
Lowell,	4	1,100,000
Lynn,	2	250,000
Marblehead,	2	220,000
Milford,	1	100,000
Millbury,	1	50,000
Nantucket,	1	200,000
New Bedford,	4	1,300,000

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	No. of Banks.	Capital.
Newburyport,	3	510,000
Newton,	1	150,000
Northampton,	2	400,000
North Adams,	1	150,000
Oxford,	1	100,000
Pawtucket,	1	100,000
Pittsfield,	1	150,000
Plymouth,	2	200,000
Quincy,	1	100,000
Randolph,	1	150,000
Rowley,	1	100,000
Roxbury,	1	150,000
Salisbury,	1	100,000
Salem,	7	1,750,000
Southbridge,	1	100,000
Springfield,	5	1,100,000
Stockbridge,	1	100,000
Taunton,	3	500,000
Uxbridge,	1	100,000
Waltham,	1	100,000
Ware,	1	200,000
Wareham,	1	100,000
Westfield,	1	100,000
Weymouth,	1	100,000
Worcester,	5	750,000
Wrentham,	1	150,000
Yarmouth,	1	200,000
Total,	130	$ 38,260,000
Rhode Island.		
Providence,	24	$ 8,173,437
Bristol,	4	340,000
Coventry,	1	40,000
Cranston,	1	25,000
Cumberland,	2	175,000
East Greenwich,	1	81,900
Exeter,	1	21,330
Foster,	1	60,000
Gloucester,	1	38,000
Hopkinton,	1	50,000
Newport,	7	680,000
North Kingstown,	2	125,000
South Kingstown,	2	150,000
North Providence,	3	253,750
Scituate,	1	40,000
Smithfield,	4	206,455
Tiverton,	1	60,000
Warren,	2	260,000
Warwick,	2	75,000
Westerly,	2	325,000
Total,	63	$ 11,179,872
Connecticut.		
Birmingham,	1	$ 82,334
Bridgeport,	3	672,990
Brooklyn,	1	63,100
Danbury,	1	98,080
Deep River,	1	45,000
East Haddam,	1	71,240
Falls Village,	1	105,950
Hartford,	6	4,062,300
Jewett City,	1	44,000
Meriden,	1	200,000
Middletown,	2	592,800
Mystic,	1	52,800
New Haven,	4	1,681,875
New London,	3	414,628
Norwalk,	1	100,000
Norwich,	4	989,529
Pawcatuck,	1	50,000
Saybrook,	1	51,790
Southport,	1	100,000
Stamford,	1	60,000
Stonington,	1	59,650
Thompson,	1	60,000
Tolland,	1	80,800
Waterbury,	1	200,000
Windham,	1	60,000
Winsted,	1	74,235
Total,	42	$ 10,073,101
New York.		
New York City,	29	$ 27,640,070
Brooklyn,	4	1,200,000
Albany,	6	2,162,700
Adams,	1	10,000
Adirondac,	1	25,000
Albion,	2	275,905
Armenia,	1	50,000
Amsterdam,	1	115,000
Ashford,	1	. . .
Auburn,	2	450,000
Arietta,	1	6,004
Ballston Spa,	1	125,000
Batavia,	3	251,531
Bath,	1	150,000
Binghampton,	1	100,000
Bolivar,	1	3,000
Brasher Falls,	1	5,000
Buffalo,	9	952,000
Cambridge,	1	. . .
Camden,	1	120,000
Canandaigua,	2	209,900
Carmel,	1	85,600
Catskill,	2	225,000
Cazenovia,	1	100,000
Cherry Valley,	1	120,000
Chester,	1	100,000
Clinton,	1	50,000
Cooperstown,	1	100,000
Corning,	1	104,500
Dansville,	1	150,250
Delhi,	1	144,000
Durham,	1	20,000
Ellenburg,	1	6,000
Elmira,	1	200,000
Fairport,	1	5,930
Farmers' Mills,	1	324,486
Fishkill,	1	120,000
Fort Plain,	1	100,000

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	No. of Banks.	Capital.
Fredonia,	1	50,000
French Creek,	1	5,000
Friendship,	1	5,000
Genessee,	1	100,000
Geneva,	1	400,000
Genoa,	1	5,000
Goshen,	1	105,660
Hartford,	1	15,000
Herkimer,	1	100,800
Hinmanville,	1	15,000
Hudson,	2	286,050
Huntsville,	1	5,000
Ithaca,	2	300,000
Jamestown,	1	100,000
Jamesville,	1	80,113
Johnstown,	1	100,000
Keeseville,	1	100,000
Kinderhook,	1	125,000
Kingston,	2	300,000
Lansingburg,	1	120,000
Leedsville,	1	10,000
Le Roy,	1	100,000
Little Falls,	1	200,000
Lockport,	4	195,300
Lowville,	1	102,450
Madrid,	1	10,000
Martinsburg,	1	100,000
Maysville,	1	100
Middletown,	1	100,000
Mina,	1	5,000
Mohawk,	1	125,000
Naples,	1	5,000
Newark,	1	20,000
Newburg,	3	440,000
Norwich,	1	120,000
North Granville,	1	100,600
Ogdensburg,	2	110,000
Oswego,	2	285,000
Owego,	1	200,000
Palmyra,	1	20,000
Pawling,	1	125,000
Peekskill,	1	200,000
Penyan,	2	106,800
Pine Plains,	1	100,000
Poughkeepsie,	3	550,000
Prattsville,	1	100,000
Putnam Valley,	1	64,816
Randolph,	1	3,000
Rochester,	4	880,000
Rome,	2	210,000
Rondout,	1	100,000
Sacket's Harbor,	1	200,000
Sag Harbor,	1	20,000
Saratoga Springs,	1	60,000
Saugerties,	1	10,000
Schenectady,	2	315,000
Silver Creek,	1	92,850
Somers,	1	111,150
Syracuse,	4	610,000
Troy,	5	1,518,000
Unadilla,	1	160,000
Utica,	5	1,610,200
Union Ellery,	1	10,000
Union Village,	1	150,075
Vernon Village,	1	100,000
Waterford,	1	100,000
Waterloo,	1	200,000
Watertown,	6	448,828
Waterville,	1	100,000
Westfield,	1	20,000
Whitehall,	2	208,200
Whitestown,	1	120,000
Total,	195	$ 48,976,868
DELAWARE.		
Delaware City,	1	$ 50,000
Dover,	1	186,000
Georgetown,	1	120,000
Newcastle,	1	138,000
Smyrna,	1	100,000
Wilmington,	4	846,000
Total,	9	$ 1,440,000
LOUISIANA.		
New Orleans,	5	$ 13,600,000
Total,	5	$ 13,600,000
NEW JERSEY.		
Belvidere,	1	$ 146,880
Bridgton,	1	52,050
Burlington,	1	50,000
Camden,	1	263,000
Dover,	1	100,000
Elizabethtown,	1	200,000
Medford,	1	70,000
Middletown Point,	1	50,000
Morristown,	1	50,000
Mount Holly,	1	100,000
Newark,	3	1,408,650
New Brunswick,	2	190,340
Newton,	1	131,180
Orange,	1	102,500
Paterson,	1	75,000
Perth Amboy,	1	60,000
Princeton,	1	90,000
Rahway,	1	130,000
Salem,	1	75,000
Somerville,	1	50,000
Trenton,	2	310,000
Wantage,	1	50,000
Total,	26	$ 3,754,900
PENNSYLVANIA.		
Philadelphia,	15	$ 10,600,000
Bristol,	1	92,220
Brownsville,	1	138,000
Carlisle,	1	22,500
Chambersburg,	1	205,470
Chester,	1	155,640
Columbia,	1	307,300

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	No. of Banks.	Capital.
Danville,	1	50,000
Doylestown,	1	60,000
Easton,	1	400,000
Erie,	1	101,895
Germantown,	1	152,000
Gettysburg,	1	123,873
Hanover,	1	36,000
Harrisburg,	2	350,000
Honesdale,	1	82,000
Lancaster,	4	922,158
Lebanon,	1	80,320
Middletown,	1	97,275
Norristown,	1	323,655
Northumberland,	1	160,000
Pittsburg,	4	2,618,865
Pottsville,	1	199,920
Reading,	1	300,360
Schuylkill Haven,	1	100,000
Washington,	1	120,000
Waynesburg,	1	100,000
Westchester,	1	225,000
Wilkesbarre,	1	85,330
Williamsport,	1	100,000
York,	2	300,000
Total,	53	$18,609,781
Georgia.		
Augusta,	6	$2,624,900
Athens,	1	100,000
Columbus,	1	134,375
Eatonton,	1	100,000
Griffin,	1	100,000
Macon,	2	100,000
Savannah,	4	2,069,940
Washington,	1	100,000
Total,	17	$5,329,215
Maryland.		
Baltimore,	12	$7,075,794
Annapolis,	1	298,000
Cumberland,	2	282,074
Ellicott's Mills,	1	125,000
Easton,	1	271,575
Frederick,	3	525,430
Hagerstown,	1	250,000
Port Deposit,	1	50,000
Westminster,	1	60,000
Williamsport,	1	135,000
Total,	24	$9,072,873
Virginia.		
Alexandria,	2	$407,000
Buchanan,	1	105,000
Charleston,	1	150,000
Charlestown,	1	190,000
Charlotteville,	1	104,000
Clarkesville,	1	200,000
Danville,	2	190,000
Farmville,	1	150,000
Fredericksburg,	2	550,000
Leesburg,	1	180,000
Lynchburg,	2	600,000
Morgantown,	1	75,000
Norfolk,	3	991,000
Parkersburg,	1	100,000
Petersburg,	3	1,170,000
Portsmouth,	1	225,000
Richmond,	3	2,114,000
Romney,	1	200,000
Staunton,	1	100,000
Wellsburg,	1	118,000
Wheeling,	2	984,100
Winchester,	2	680,000
Wytheville,	1	130,000
Total,	35	$9,713,100
North Carolina.		
Asheville,	1	$125,000
Charlotte,	1	100,000
Elizabeth City,	1	100,000
Fayetteville,	3	775,000
Milton,	1	100,000
Morganton,	1	100,000
Newbern,	2	375,000
Raleigh,	2	425,000
Salem,	1	125,000
Salisbury,	1	175,000
Tarboro,	1	150,000
Washington,	1	200,000
Wilmington,	3	900,000
Total,	19	$3,650,000
South Carolina.		
Charleston,	7	$9,153,583
Camden,	2	377,600
Columbia,	2	800,000
Cheraw,	1	400,000
Georgetown,	1	200,000
Hamburg,	1	500,000
Total,	14	$11,431,183
District of Columbia.		
Georgetown,	1	$300,000
Washington,	3	882,300
Total,	4	$1,182,300
Mississippi.		
Holly Springs,	1	$100,000
Total,	1	$100,000
Ohio.		
Akron,	1	$100,000
Ashtabula,	1	100,000
Athens,	1	70,000
Bridgeport,	1	100,000
Cadiz,	1	100,000
Chillicothe,	2	400,000
Cincinnati,	6	1,682,026
Circleville,	1	200,000
Cleveland,	4	400,000

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	No. of Banks.	*Capital.*
Columbus,	4	745,330
Cuyahoga Falls,	1	100,000
Dayton,	2	289,860
Delaware,	1	93,484
Eaton,	1	100,000
Elyria,	1	75,985
Lancaster,	1	100,000
Logan,	1	71,570
Mansfield,	1	82,980
Marietta,	1	100,000
Massillon,	2	350,000
Mt. Pleasant,		100,000
Mt. Vernon,	1	100,000
Newark,	1	95,000
Norwalk,	1	120,450
Painesville,	1	40,000
Piqua,	1	89,107
Portsmouth,	1	100,000
Ravenna,	1	103,000
Ripley,	1	100,000
Salem,	1	100,000
Sandusky,	1	57,500
Springfield,	1	100,000
Steubenville,	1	100,000
Tiffin,	1	30,000
Toledo,	2	280,500
Troy,	1	82,709
Warren,	1	60,000
Washington,	1	60,000
Wooster,	1	150,000
Xenia,	1	100,000
Zanesville,	2	197,670
Total,	57	$7,427,171

KENTUCKY.

Bowling Green,	1	$175,000
Covington,	2	850,000
Danville,	1	220,000
Flemingsburg,	1	100,000
Frankfort,	2	650,000
Greensburg,	1	125,000
Henderson,	1	250,000
Hopkinsville,	1	250,000
Lexington,	2	1,530,000
Louisville,	3	2,960,000
Maysville,	2	850,000
Mt. Sterling,	1	200,000
Paducah,	1	100,000
Paris,	1	370,000
Princeton,	1	300,000
Richmond,	1	150,000
Somerset,	1	100,000
Russellville,	1	400,000
Owensboro,	1	300,000
Smithland,	1	300,000
Total,	26	$10,180,000

ALABAMA.

Mobile,	2	$2,000,000
Total,	2	$2,000,000

INDIANA.

Indianapolis,	1	$219,936
Bedford,	1	91,762
Evansville,	1	151,866
Fort Wayne,	1	145,705
Lafayette,	1	187,750
Lawrenceburg,	1	215,000
Madison,	1	212,550
Michigan City,	1	120,000
New Albany,	1	163,850
Richmond,	1	167,000
South Bend,	1	102,341
Terre Haute,	1	157,900
Vincennes,	1	147,250
Total,	13	$2,082,910

TENNESSEE.

Athens,	2	$399,150
Clarksville,	2	373,931
Columbia,	2	340,130
Franklin,	1	150,000
Jackson;	1	150,000
Knoxville,	1	150,000
Lawrenceburg,	1	100,000
Memphis,	2	300,000
Nashville,	3	4,841,500
Pulaski,	1	150,000
Rogersville,	1	254,208
Shelbyville,	1	223,931
Somerville,	1	254,208
Sparta,	1	223,931
Trenton,	1	254,208
Total,	21	$8,165,197

MISSOURI.

St. Louis,	1	$603,751
Fayette,	1	121,000
Jackson,	1	121,000
Lexington,	1	121,000
Palmyra,	1	121,000
Springfield,	1	121,000
Total,	6	$1,208,751

WISCONSIN.

Milwaukie,	1	$225,000
Total,	1	$225,000

IOWA.

Dubuque,	1	$200,000
Total,	1	$200,000

TEXAS.

Galveston,	1	$300,000
Total,	1	$300,000

MICHIGAN.

Detroit,	4	$762,000
Niles,	1	. . .
St. Josephs,	1	. . .
Total,	6	$762,000

For recapitulation, see March No., p. 769.

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BANK STATISTICS.

Banks of the State of Ohio.

Liabilities.	*May*, 1847.	*May*, 1848.	*Aug.*, 1849.	*Nov.*, 1850.
Capital,	$ 5,071,729	$ 6,654,418	$ 7,029,187	$ 7,489,109
Circulation,	7,281,029	9,166,680	9,863,680	11,059,700
Safety fund stock,	806,000	1,091,212	1,143,120	1,229,258
Bank balances,	1,051,860	980,170	1,291,290	1,385,842
Deposits,	3,356,837	4,170,360	4,369,635	5,010,976
Contingent fund,	269,004	485,430	530,876	774,152
Bills payable,	. . .	. . .	182,352	316,344
Discount, interest, &c.,	. . .	. . .	254,504	66,632
State tax,	17,854	. . .	. . .	23,750
Dividends unpaid,	. . .	. . .	. . .	227,581
Miscellaneous,	474,406	430,656	85,180	27,414
Total liabilities,	$ 18,328,719	$ 22,978,926	$ 24,749,824	$ 27,610,756

Resources.	*May*, 1847.	*May*, 1848.	*Aug*, 1849.	*Nov.*, 1850.
Loans,	$ 10,936,661	$ 13,678,848	$ 14,443,843	$ 17,059,594
Specie,	2,026,551	2,900,700	3,209,920	2,750,588
Bank-notes,	1,081,561	1,259,437	1,811,067	1,195,655
Bank balances,	519,868	920,162	799,687	1,091,030
Eastern deposits,	1,262,166	1,586,584	1,507,202	2,282,244
Cash items,	. . .	. . .	153,524	98,460
State bonds,	1,170,270	1,799,451	1,975,500	2,220,892
Real estate,	. . .	. . .	307,854	451,596
Miscellaneous,	1,331,642	833,744	541,227	460,697
Total resources,	$ 18,328,719	$ 22,978,926	$ 24,749,824	$ 27,610,756

Maryland.

Comparative Condition of the Baltimore Banks, 1847 – 1851.

Liabilities.	*Jan.* 1, 1847.	*Jan.* 1, 1849.	*Jan.* 7, 1850.	*Jan.* 6, 1851.
Capital,	$ 6,969,330	$ 6,974,646	$ 6,975,794	$ 7,101,016
Circulation,	1,990,640	1,848,167	2,073,587	2,268,419
Deposits,	3,367,732	2,974,732	3,340,410	4,706,161
Bank balances,	959,013	1,455,665	1,622,590	1,795,778
Undivided profits,	701,290	631,590	712,331	658,108
Total liabilities,	$ 13,988,005	$ 13,884,800	$ 15,224,712	$ 16,549,482

Resources.	*Jan.*, 1847.	*Jan.*, 1849.	*Jan.* 7, 1850.	*Jan.* 6, 1851.
Loans and stocks,	$ 10,746,533	$ 10,440,540	$ 11,656,130	$ 12,423,785
Specie on hand,	1,814,312	1,805,910	2,127,980	2,361,204
Bank balances,	413,860	724,803	542,790	806,090
Bank-notes,	592,936	565,980	591,530	684,230
Real estate,	379,467	310,670	271,385	256,184
Expenses, bonus, &c.,	40,897	36,897	34,897	17,989
Total,	$ 13,988,005	$ 13,884,800	$ 15,224,712	$ 16,549,482

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BANKS OF BALTIMORE.

Resources and Liabilities of the Banks of Baltimore, January 6, 1851. Compiled for the Bankers' Magazine.

Liabilities.	*Capital.*	*Circulation.*	*Deposits.*	*Dividends unpaid.*	*Bank Balances.*	*Profit and Loss.*	*Total Liabilities.*
Merchants' Bank,	$ 1,500,000	$ 195,130	$ 506,553	$ 56,006	$ 642,178	$ 87,910	$ 2,987,754.02
Bank of Baltimore,	1,200,000	241,341	627,870	. . .	129,078	38,463	2,236,751.50
Union Bank,	916,350	154,975	456,588	38,483	273,312	65,250	1,904,958.32
Farmers and Planters' Bank,	600,625	298,545	337,270	17,935	139,350	63,253	1,456,978.41
Mechanics' Bank,	593,838	272,619	626,844	2,248	35,340	88,738	1,619,686.62
Commercial and Farmers' Bank,	512,560	212,720	439,438	5,300	129,124	116,500	1,415,641.94
Western Bank,	400,000	308,562	473,952	17,612	314,390	36,372	1,550,888.03
Farmers and Merchants' Bank,	393,560	179,708	176,686	3,330	11,978	51,670	816,925.26
Chesapeake Bank,	311,473	188,360	446,416	14,034	94,140	56,700	1,111,123.64
Marine Bank,	310,000	92,792	256,210	. . .	15,378	24,566	699,446.60
Franklin Bank,	301,850	92,450	117,898	9,543	6,800	24,623	552,964.11
Citizens' Bank,	60,700	51,217	76,174	. . .	4,210	4,063	196,363.62
Total, 12 banks,	$ 7,101,016	$ 2,288,419	$ 4,541,870	$ 164,291	$ 1,795,778	$ 658,108	$ 16,549,482.07

Resources.	*Specie.*	*Real Estate.*	*Expenses.*	*Bank Notes.*	*Bank Balances.*	*Stocks.*	*Loans.*
Merchants' Bank,	$ 371,350	$ 25,000	$ 20	$ 144,296	$ 40,250	$ 9,376	$ 2,397,462.00
Bank of Baltimore,	239,832	15,234	. . .	29,284	168,845	22,126	1,761,430.00
Union Bank,	204,430	63,094	* 16,000	142,915	70,336	25,983	1,382,200.00
Farmers and Planters' Bank,	214,070	. . .	13	83,843	52,278	. . .	1,106,775.00
Mechanics' Bank,	161,472	7,900	. . .	72,954	68,375	5,772	1,303,214.00
Commercial and Farmers' Bank,	276,188	20,390	1,304	. . .	† 143,313	52,566	921,880.00
Western Bank,	479,806	17,000	. . .	. . .	† 166,723	4,200	883,158.00
Farmers and Merchants' Bank,	109,491	15,875	290	52,630	5,983	117,145	515,511.00
Chesapeake Bank,	116,245	21,720	. . .	106,172	24,410	160,588	631,990.00
Marine Bank,	85,236	23,208	362	29,164	30,046	69,546	461,886.00
Franklin Bank,	49,376	40,838	. . .	20,647	35,531	30,338	376,235.00
Citizens' Bank,	53,708	5,925	. . .	2,326	. . .	. . .	134,404.00
Total, 12 banks,	$ 2,361,204	$ 256,184	$ 17,989	$ 684,231	$ 806,090	$ 497,640	$ 11,926,145.00

* Bonus for charter.

† Including bank-notes and checks.

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Bank of the State of South Carolina.

It was known from the Governor's Message that the operations of the bank had been very successful during the financial year ending the 30th of September last, though that document barely stated the amount of the profits without comment. The Report of the President and Directors has since been received, and we should lay it entire before our readers if we were not so much pressed for room. The entire profits for the year amount to the sum of $364,931.88. But of this sum, about $95,000 has been derived from arrears of interest, and would properly be added to the profits of past years. The sum of $269,825.59 is strictly the income of the year, and if the bank be charged with the aggregate of its capital, the "Sinking Fund," and the "Fire Loan," it is more than seven per cent. interest on all these funds, and this it has made in addition to recovering out of doubtful and supposed bad debts about $100,000 more. This is certainly a favorable exhibit, and especially a subject of congratulation at a time when the State has need of an overflowing treasury, to meet expenses that it concerns alike her honor and her safety to incur.

There are inconveniences, as we are reminded by the Report, in having an excellent credit. The position of the bank has been such for some time past, that it has been an object with the Board to invest portions of its means in the outstanding debt of the State, and from this time forward it would probably be in its power rapidly to extinguish the whole of that debt. But the creditors will not be paid. The bank has parleyed, and proposed, and negotiated, but they are as obdurate as Shylock, and insist upon having their bond instead of the money for which it was given. Now and then some poor wretch gets caught in the trap of mischance, and is brought to terms, but this is a rare event, and in general the slightest hint of a man being on the look-out for South Carolina bonds, sends them all into holes and corners. There seems no remedy for the evil. It is probable, indeed, that a default in the payment of a half year's dividend, or a resolution in the Legislature squinting at repudiation might lead to "transactions"; but these are experiments that also have their inconveniences, and it is perhaps quite as well to "bear the ills we have."

In the mean time the profits of the bank will accumulate, if not otherwise disposed of. The President proposes that a certain sum be paid into the treasury annually in aid of expenditures of the State, and that the bank should devote a part of the fund, necessarily accumulated to meet the principal of the State debt, in such secure loans, to railroads and similar enterprises, as shall make it useful and at the same time be available when it shall be needed. The final settlement of this question of surplus profits is not likely to be made at the present session, and ought not to be made without full consideration. For the coming year, the State will almost certainly have occasion for all the assistance the bank can afford out of its profits, and the "accumulations" can be disposed of when they occur. — *Charleston Mercury, December*, 1850.

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North Carolina.

Liabilities and Resources of the Bank of the State of North Carolina and Branches, November, 1849 and 1850.

Liabilities.	*Nov.*, 1849.	*Nov.*, 1850.
Capital stock paid in,	$ 1,500,000.00	$ 1,500,000.00
Notes in circulation,	1,525,739 00	1,687,019.00
Individual deposits,	284,002.15	361,580.44
Public Treasury of North Carolina,	89,734.96	34,057.76
Due to other banks,	12,376.14	25,156.70
Pension Agent, U. S.,	3,278.42	21,024.30
Dividends unpaid,	1,373.00	3,123.00
General profit and loss and contingent fund,	285,724.13	305,042.40
Bills and checks *in transitu*,	. . .	4,825.46
Total liabilities,	$ 3,702,227.80	$ 3,941,829.06

Resources.	*Nov.*, 1849.	*Nov.*, 1850.
Discounted debt and other securities,	$ 2,305,405.01	$ 2,290,750.27
Bills of exchange,	429,536.70	418,403.04
Real estate,	45,063.99	41,115.71
Due from other banks,	169,603.31	347,282.07
Notes of other banks,	77,001.00	110,712.00
Specie,	664,336.74	733,473.92
Vouchers unadjusted,	681.04	92.05
Bills and checks *in transitu*,	10,600 01	. . . .
Total resources,	$ 3,702,227.80	$ 3,941,829.06

Virginia.

Merchants and Mechanics' Bank of Wheeling.

Liabilities.	*Oct.* 1, 1846.	*Nov.* 14, 1850.
Capital stock owned by individuals,	$ 500,000	$ 500,000
" " " by the Commonwealth,	40,000	40,000
Contingent fund,	14,182	77,573
Circulation,	750,308	942,596
Dividends unclaimed,	1,612	2,346
Balances due to banks,	15,646	43,843
Individual deposits, certificates, &c.,	118,074	161,030
Total liabilities,	$ 1,439,822	$ 1,767,388

Resources.	*Oct.* 1, 1846.	*Nov.* 14, 1850.
Morgantown Branch for capital,	. . .	100,000
Bills discounted, bills of exchange, &c.,	891,730	984,680
Stocks,	25,753	55,217
Real estate, bank furniture, &c.,	215,530	187,208
Bonds and mortgages,	23,470	26,054
Bank balances, Eastern cities,	91,666	102,335
do., Western do, &c.,	. . .	55,222
Notes and checks of other banks,	22,334	39,336
Gold and silver on hand,	143,404	202,758
Expense account, bonus, &c.,	20,935	14,078
Total resources,	$ 1,439,822	$ 1,767,388

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Banks of Canada.

Capital, Circulation, Coin, Deposits, and Loans, of the several Banks of Canada, on the 28th of February and 31st of July, 1850; with the last Semiannual Dividend of each, in 1850.

From the Quebec Gazette.

February 28, 1850.		*Capital.*	*Circulation.*	*Coin.*	*Deposits.*	*Loans.*
Bank of Montreal, . . .		£750,000	£435,013	£157,706	£310,352	£1,226,989
Bank of British North America,		640,000	175,000	130,000	*	*
Commercial Bank, M. D., . .		403,200	210,836	52,217	126,049	640,241
Bank of Upper Canada, . .		380,887	187,568	36,340	139,183	600,201
City Bank of Montreal, . .		221,793	79,742	23,872	33,808	232,602
Quebec Bank, . . .		100,000	44,325	27,401	65,938	168,661
Banque du Peuple, . . .		200,000	31,140	23,642	70,036	279,261
Gore Bank, ...		80,000	66,353	13,538	31,159	169,095
Total, 8 Banks, . . .		£2,775,880	£1,234,977	£464,716	£776,525	£3,317,048
July 31, 1850.	*Div.*	*Capital.*	*Circulation.*	*Coin.*	*Deposits.*	*Loans.*
Bank of Montreal, . .	3 p. ct.	£750,000	£441,943	£147,844	£449,679	£1,306,914
Bank of B. N America,	2½ "	640,000	170,810	64,425	231,544	783,715
Commercial Bank, M. D.,	3 "	403,200	187,969	46,922	156,635	653,047
Bank of Upper Canada,	2½ "	380,887	194,216	49,706	429,992	692,290
City Bank of Montreal,	2½ "	221,793	100,476	23,872	45,070	252,964
Quebec Bank, . . .		100,000	56,922	21,700	77,115	192,855
Banque du Peuple, .	2½ "	200,000	49,898	20,322	95,954	293,479
Gore Bank, . . .	3½ "	80,000	107,678	9,340	38,272	193,634
Total, 8 Banks, . . .		£2,775,880	£1,309,932	£384,131	£1,524,261	£4,374,898

* No returns. The value of the Canada £ is four dollars United States currency. For further information, see p. 138 (August number), current volume.

The New York State Bank, Albany. — This old and honored institution, which was established in the year 1803, and has ever been usefully associated with the business interests of the city of Albany, closed its chartered existence on the 31st of December, 1850, paying back to its stockholders their capital, with a handsome surplus. The late Lieutenant Governor, John Tayler, was the first president, and John W. Yates the first cashier of the State Bank. Its first directors were: —

John Tayler,	Thomas Tillotson,	Francis Bloodgood,
Elkanah Watson,	John D. P. Douw,	Richard Lush,
Peter Gansevoort, Jr.,	Thomas Mather,	Abraham G. Lansing,
John Robison,	John R. Bleeker,	Elisha Jenkins.
Gilbert Stuart,		

Of these there is no survivor. Mr. Mather died within the last year. Gorham A. Worth, Esq., now of the City Bank, New York, was the first clerk appointed by the State Bank. At the first meeting of the Board, the directors appointed a committee to obtain from the Bank of Albany a supply of bank paper on which to print their first notes. That committee, at a subsequent meeting of their Board, reported that the directors of the Bank of Albany "deemed it inexpedient to supply the State Bank with paper." At a meeting of the Board, September 9, 1803, it was resolved that $20,000 in specie should be remitted to the Manhattan Bank, and the cashier, associated with a director, was appointed to carry the resolution into effect. On the 7th of December, 1803, the Board "Resolved, That the president deliver to the cashier 1,000 sheets of bank paper for the purpose of printing." The lot on which the bank stands was purchased of the late Isaiah Townsend. Smith & Boardman (the latter survives) were the builders. Philip Hooker, architect. — *Albany paper.*

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GILBART'S PRACTICAL TREATISE ON BANKING.

No. III.

Continued from page 539, January No.

SECTION VIII. — OPERATION OF THE BANK ACT OF 1844.
SECTION IX. — THE ADMINISTRATION OF THE BANKING DEPARTMENT OF THE BANK OF ENGLAND.
SECTION X. — THE ADMINISTRATION OF JOINT-STOCK BANKS, WITH AN INQUIRY INTO THE CAUSES OF THEIR FAILURES.

If this disposition to hoard — or, more properly, to make provision for future or contingent demands — existed in 1837 and 1839, when the Bank of England had the unrestricted power of issuing notes; when there was the most unbounded confidence in her ability to render assistance, — and when every solvent person expected, if necessary, to receive that assistance, — it is natural to suppose that this disposition would be stronger in 1847, when the Bank of England had become divided into two departments, — one of which could issue no notes except against gold, and the other had barely notes enough to meet its own obligations. For this alteration in the condition of the Bank of England, and the consequent feeling it inspired, the act of 1844 is clearly responsible.

It is said that this desire of "hoarding" arose from PANIC; and that the sum thus "hoarded" amounted to £4,000,000 of notes. It is difficult to state where prudence ends and panic begins. This hoarding was no doubt carried on by all the joint-stock and private bankers, who, having received from the public large sums of money payable on demand, deemed it prudent to put themselves in a condition to repay these sums in case they should be demanded. And, from the number of banking establishments that exist in London, and throughout the country, it is reasonable to suppose that the sums thus hoarded must have been considerable. (*Evidence before the Commons' Committee*, 70, 1737, 4605, 5776.) Many private parties, too, from distrust of their bankers, probably kept their hoards in their own hands. No blame, however, can attach to the bankers; for, although this "hoarding" increases the pressure, yet, were they not to adopt this course, their banks might stop payment, and thus a heavier calamity would fall upon the public.

It is further alleged that the act of 1844 has deprived the Bank of England of the power of granting assistance by the issue of notes during a pressure, even when the pressure is most urgent, and the foreign exchanges are favorable. Before the passing of the act, when there was no separation of departments, the bank directors restricted their issues when the exchanges were unfavorable, but extended them when the exchanges were favorable. Hence, during the pressure of 1837, they granted assistance by a further issue of notes to the Northern and Central Bank, because the exchanges had become favorable. Between the periods of

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an efflux and an influx of gold there is always an interval of time. This interval is usually the highest point of the pressure; and heretofore the Bank of England would relieve the pressure by extending her issue of notes, in anticipation of the gold about to arrive. By this means solvent houses were prevented stopping. Confidence was restored, "hoarding" was diminished, and the pressure removed. But the act of 1844 does not allow this. No additional notes can be issued until the gold has returned. The same course must be followed whether the exchanges are favorable or unfavorable; and to anticipate the return of the gold, by a further issue of notes, under any circumstances, however urgent, would be a departure from the principle of the act. That such a departure, however, may be made with immense advantage to the public, is obvious from the effects which immediately followed the suspension of the act in October, 1847. (*Commons*, 5387 – 5389.)

It is chiefly in this respect that the system established by the act differs from the system previously in operation. And some of the witnesses, looking no farther than this, merely recommended that a power to suspend the act in cases of severe pressure, should be lodged either with the government or the bank. We feel no regret that the Legislature did not comply with this recommendation. It is this inflexibility of the act which makes the commercial classes *feel* the unsoundness of its whole principle. Had a dispensing power been granted, we should merely have fallen back upon the previous system, with the additional disadvantage that the bank would never be able to adopt a better system, even if so disposed. The directors had for several years professed to govern the issue of notes by the foreign exchanges, but departed from that principle according to their discretion. The act of 1844, by its inflexible enactments, put this principle to the test of experiment. The principle could not bear that test, and hence the act was suspended. There is now a chance, at least, that we shall get a better system. The following is the language we addressed to the joint-stock banks at the time the act was passed: —

"It must be acknowledged that the principle of regulating the currency by the stock of bullion in the Bank of England, as proposed by Sir Robert Peel, is one which the joint-stock banks, as well as the private banks, have strongly condemned. But since we cannot obtain the adoption of our own views, the question for our consideration is, Whether the existing system or that now proposed will best promote the interests of our establishments? And we shall probably determine that it is better to have a uniform law, the operations of which may be subjected to some degree of calculation, than unknown laws, which are applied or suspended according to the impulse of caprice.

"The proposed measure is an experiment; and so excellent is the machinery, that the experiment interferes as little as possible with existing interests. And the old machinery being retained by the continuance of the country issues, the return is easy to the former system, if necessary, before any serious injury can be inflicted on the country.

"As practical bankers, we contend that experience is the only test of the soundness of a theory. Let, then, 'the currency principle' be tried by this test. If it succeed, the joint-stock bankers, in common with every

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other class of the community, will share the advantage. If it fail, then other principles will, perhaps, be tried; and, notwithstanding all the denunciations we have heard upon the subject, it may perhaps be ultimately found that the principle of 'competing issues,' as practised in Scotland, is the only effective principle by which the currency throughout the United Kingdom can be managed."

In the year 1844, I addressed four letters to the joint-stock banks, under the signature of Nehemiah. "The first was written a short time previous to the opening of Parliament, the second soon afterwards, when an impression prevailed that a plan would be proposed for the establishment of one bank of issue; the third, immediately after Sir Robert Peel had announced his measures in the House of Commons, and before the deputies from the joint-stock banks had held their meetiug for the purpose of considering them; and the fourth, after those measures had become law." The object of the third letter, from which the above quotation is taken, was to advise the joint-stock banks not to discuss the principle of the currency in their communications with the government, but to endeavour to obtain some practical modifications of the measures originally proposed. My advice was followed, and the modifications were obtained. The joint-stock banks have had no meeting respecting the pressure of 1847. They have consequently expressed no opinion respecting it; nor did they propose any witnesses for examination before the parliamentary committees. It was not thought advisable that the joint-stock banks, as a body, should interfere with public questions, except such as have a special reference to themselves, as joint-stock banks. It was therefore determined to watch the proceedings of the committees, but not to call a meeting of "the deputies," unless some measures were recommended that might practically affect the joint-stock banks.

It is obvious that "the currency principle" has been tried and has failed. It seems now to be the proper time to try the antagonist principle, that the amount of the domestic currency should be wholly unaffected by the importations or exportations of bullion. We doubt not that the talent and ingenuity which framed the act of 1844 can construct a plan for bringing this principle also to the test of experiment. When this is done, we will judge of the soundness of the principle by its results. So far as it has hitherto been tried, it has never failed.*

* It would appear from the recent Message of the President of the United States of America, that his principle has been tested by the operation of the "Constitutional Treasury."

"During the present year, nearly the whole continent of Europe has been convulsed by civil war and revolutions, attended by numerous bankruptcies, by an unprecedented fall in their public securities, and an almost universal paralysis of commerce and industry; and yet, although our trade and the prices of our products must have been somewhat unfavorably affected by these causes, we have escaped a revulsion, our money market is comparatively easy, and public and private credit have advanced and improved.

"It is confidently believed that we have been saved from their effect by the salutary operation of the Constitutional Treasury. It is certain that, if the 24,000,000 of specie imported into this country during the fiscal year ending on the 30th of June, 1847, had gone into the banks, as to a great extent it must have done, it would, in the absence of this system, have been made the basis of augmented bank paper issues, probably to

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We have thus endeavoured to trace (impartially, as we believe) the practical operation o the Act of 1844. (The reader will find some further observations on this act in the section on "*The Administration of the Banking Department of the Bank of England.*") It is reasonable to suppose, that under similar circumstances it will produce similar effects. What will be its effects under other circumstances, we have yet to learn. We have yet to learn what will be the operation of the act under a large importation of gold, *ab initio*, from a favorable state of the exchanges; what will be the effect of the act during a pressure, when it shall not be suspended; and how its effects may be increased or mitigated by any different system of management on the part of the banking department. We have yet to learn how the act will work financially during a large falling off in the public revenue, an increase of taxation, or contracts for large government loans; and how it will work during a war, in which we may have to maintain armies on the continent, or to subsidize foreign powers. We have yet to learn whether the issuing department will be ultimately removed from the Bank of England to the Exchequer, and we shall have a paper currency issued by the government under the authority of an act, the provisions of which may be suspended (as heretofore) by the same government; and also whether the future suspensions of the act will ever be influenced by party or political considerations. And finally, we have yet to learn how the act will work in case of any large importations of gold from the mines of Russia or California.

We may be reminded that, should the act work unfavorably under any of the above circumstances, there is one remedy always at hand, the remedy which has already been applied, to suspend it. And no doubt, under any government, men will be found who will have the courage to apply this remedy. But this will not remove the previous evil. The suspension, too, may be long delayed, and in the mean time much evil may arise. In the next pressure the nation will be like "a cat in an air-pump." The animal will not be allowed to die, but at what precise period of exhaustion relief will be afforded will depend upon the views and theories of the philosophic statesman who may at the time be performing the experiment.

It will not be safe for practical bankers to calculate with too much confidence upon the suspension of the act. They should make their arrangements on the supposition that it will not be suspended. And it behoves them to inquire what are the principles upon which, under such circumstances, their establishments ought to be administered. This we shall now proceed to do.

an amount not less than 60,000,000 or 70,000,000 of dollars, producing, as an inevitable consequence of an inflated currency, extravagant prices for a time, and wild speculation, which must have been followed, on the reflux to Europe the succeeding year of so much of that specie, by the prostration of the business of the country, the suspension of the banks, and most extensive bankruptcies. The restraining effect of the system upon the tendencies to excessive paper issues by banks, has saved the government from heavy losses, and thousands of our business men from bankruptcy and ruin. The wisdom of the system has been tested by the experience of the last two years, and it is the dictate of sound policy that it should remain undisturbed."

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We pointed out at the passing of the act the course which we thought prudent bankers ought to pursue.

"Permit me now, with all deference, to point out the course which I think the joint-stock banks should pursue. In future, the amount of notes in circulation will be regulated by the foreign exchanges. When the exchanges are favorable, money will be abundant; when they are unfavorable, it will be scarce. The evils arising from a scarcity of money can only be avoided by following a prudent line of conduct when money is abundant. We, then, as prudent bankers, ought at present to check our desires of making large profits and declaring high dividends, and be content to employ our funds at a low rate of interest, rather than lock them up in hazardous or inconvertible securities. We should call up our old over-drafts, and our dead loans, and, if necessary, increase our capital, so as to place ourselves in the position most favorable for meeting an adverse state of the foreign exchanges. In cases of pressure on the money market, arising from an unfavorable course of exchange, the Bank of England will not be able, as heretofore, to relieve that pressure by a further issue of notes, and, so far from granting assistance to other banks, she may, from the extent of her transactions, be more in need of assistance herself. We must, therefore, conduct our banks, individually, on a principle of self-dependence; we shall have to limit our overdrawn accounts, to avoid all advances on inconvertible securities, and to call up such an amount of capital as shall secure to us the means at all times of giving reasonable accommodation to our customers. On the recurrence of a pressure similar to that of 1839, the cry will be *sauve qui peut*, — 'every one must take care of himself.'" (*Letters of Nehemiah.*)

The knowledge we have acquired of the working of the act will tend to give additional force to these recommendations. The attention of practical bankers will also be called to other points besides those which are here named.

It will become a question with them to what extent they should continue to allow interest on their deposits. Some of the joint-stock banks in London allow interest on the minimum balance of a current account. Others allow interest only on deposit receipts. But most London bankers, whether private or joint-stock, allow interest on the daily balance to their country connections. In seasons of abundance, however, they usually limit the amount on which they allow interest, to prevent themselves being glutted with money from the country banks. But should the act of 1844 produce those frequent alternations from abundance to pressure, and again from pressure to abundance, which we think it will produce, then it will become a matter of consideration how far the practice of allowing interest on deposits can be continued. It can never be worth a banker's while to allow interest on money which remains in his hands only so long as it cannot be employed, and is taken from him the moment it becomes valuable. During the year 1847 vast sums were withdrawn from both the London and the country bankers, not from any distrust of these bankers, but with a view to make more profitable investments. The rate of interest had been for some time previously very low. Consols had been at par; and when consols fell so low as to yield 3½ per cent. interest, and the railway

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companies issued debentures bearing interest at five per cent., large sums were withdrawn from all the banks, as well as from the savings banks, for the purpose of being invested in these securities. The bankers had no right to complain of this, as they were called upon only to fulfil their engagements; but they will probably be unwilling in future to allow interest on deposits of this description.

Another circumstance which the operations of the act of 1844 will lead practical bankers to reconsider, will be the extent to which they should invest their surplus funds in government securities. Many bankers have considered it as a sound principle to invest a certain portion of their funds in government securities. We have laid before our readers extracts from evidence given before parliamentary committees in favor of this principle, and we expressed our own convictions respecting the same doctrine. But we must acknowledge the operations of the act are sufficient to show that this principle should be acted upon with caution, and should be limited in its application. The act will cause money to be alternately abundant and scarce. When money is abundant, the funds are high; and when money is scarce, the funds are low. In seasons of abundance the banker will be full of deposits; in seasons of pressure his deposits will be withdrawn, and he will, moreover, be asked to assist his customers by further advances. He will, therefore, always have occasion to sell out of the funds when the price is low, and thus he will sustain loss. It will, consequently, be his interest to employ his surplus funds in other investments, or even to keep his money unemployed in his till, rather than invest it in government securities. His risk will be greater if the act should be capriciously suspended. In October, 1847, several banks are said to have sold out of the funds only a few days before the appearance of the government letter. After the issue of that letter the money was not wanted; but, as the funds immediately rose, the money could not be replaced but at considerable loss. The reports and proceedings of the joint-stock banks brought to light some transactions of this kind, and it is probable that the private banks sustained heavy losses by similar transactions.

Another lesson that will be more deeply impressed upon the minds of practical bankers, will be to conduct their establishments in such a way as to be self-dependent in seasons of pressure.

The events of the year 1847 are sufficient to show to what extent dependence can be placed on the Bank of England. Several of the directors complained that every body looked for assistance to the Bank of England. No expectation could be more complimentary to the bank, nor show more strongly the confidence she had inspired under her previous government. In no preceding pressure had she refused assistance upon the ground that she was unable to grant it. But in former pressures there was no separation between the issuing and the banking departments. Her great strength lay in the power she possessed of expanding the circulation. That power she surrendered to the act of 1844. She then became like "any other banking concern issuing Bank of England notes." Her locks are now shorn. (*Commons*, 769, 3223–4, 3941–2, 4566, 5389.)

The Bank of Liverpool had been one of the oldest and most respectable of the connections of the Bank of England. They had, from their com-

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mencement, never issued any but Bank of England notes, and had always a pretty large discount account with the branch at Liverpool. Yet, in the year 1847, their minute book contains several entries similar to the following: — "The manager stated he had seen the agent of the branch bank this morning, and that he would not discount any thing for us to-day." Even in the comparative light pressure of April, 1847, the bank suddenly restricted their discounts; and in October, 1847, they were quite unable to meet the public demand, although in some cases they lent consols instead of money. Indeed, it was because the means of the bank were unable to supply the demand for notes that the act of 1844 was suspended; yet the governor, and all the other witnesses who supported the act of 1844, stated their opinion that the pressure of 1847 was not so severe as some preceding pressures. How much sooner, then, would the means of the bank have been exhausted if the pressure had equalled its predecessors in severity!

While bankers should not depend on the Bank of England, neither should they depend on the bill-brokers. A broker, as the name implies, is an intermediate party between the borrower and the lender. When money is abundant, the bill-broker has large funds at his disposal, with which he will discount at a lower rate of interest than the bankers. When a pressure arrives, these funds are withdrawn, and his occupation is gone. Some bill-brokers have large capitals of their own, and take in deposits, repayable on demand; and to this extent they may be regarded as bankers. When money is abundant, sometimes cunning people, instead of going to their own banker's, will take their bills to the bill-brokers, who will discount them at a lower rate; and when the pressure arrives, and the brokers no longer discount, they think to return to their banker's. It is said that some country banks have occasionally adopted the same system. But it is clearly a bad system for any bank to adopt. A bank that is dependent on re-discount, will most likely feel some inconvenience in a season of pressure, even when the bills are all undoubtedly good. But if the bank has, from a desire of making large profits, been induced in seasons of abundance to re-discount inferior bills, the results may be more serious. For in a season of pressure, a large portion of those bills will not be paid, and the bank will have to provide payments for its own indorsements, while its former channels of re-discount will be closed. All the joint-stock banks that stopped payment in 1847, had been accustomed to re-discount; and though some of them were unsound in other respects, yet the immediate cause of their stoppage was the inability to re-discount. We again refer to the proceedings of the Bank of Liverpool. "The manager stated that out of two small sums of £ 10,000 sent to London to the broker's, only one had been done." "We had then £ 100,000 at call with certain bill-brokers, who were unable when applied to, to return us more than £ 25,000." The governor of the bank stated that the failure of the corn speculators caused the failure of an eminent discount-broker having a large country connection; and this failure, by closing one of the principal channels of discount between the country and London, caused distrust to extend into the country.

Banks should not only avoid depending on the Bank of England, or on

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bill-brokers; they should also avoid depending on other banks. Some banks in manufacturing districts are in the habit of discounting with banks in agricultural districts, — a very good practice, as we think. But the banks requiring the discount should always recollect that when a pressure arrives, the discounting bank may have other ways of employing its funds. Country banks, too, should not rely too much on their London agents. Some London bankers have, no doubt, immense power. At the same time, in seasons of pressure, they have immense claims upon them. (*Commons*, 2344 - 8.) If free from a run upon themselves, they will endeavour so to administer their funds as to afford reasonable assistance to all their connections. And no one connection should expect to receive more than this reasonable amount of assistance. But they may themselves be exposed to danger. The panic of 1847 was not a banking panic, but a commercial panic; and therefore the London bankers were comparatively free from molestation. But banks had failed in Liverpool and Newcastle, and this might have caused a banking panic in London. The panic of 1825 commenced by the failure of a country bank. In such a case the London bankers could have rendered but little assistance to their country connections. It must be recollected, that the act of 1844 was suspended upon the application of the London bankers. The governor of the bank stated to the Committee of the House of Lords, "The London bankers and discount-brokers refused to grant the usual accommodation to their customers, and necessarily obliged every one requiring assistance to resort to the bank of England."

The most effectual way of acquiring this self-dependence that we have been recommending, is to call up an adequate amount of capital. During a pressure, as we have already said, a banker has three additional claims on his funds. In the first place, a large amount of his deposits may be withdrawn. Secondly, many of his customers, and some probably of the wealthiest, will require addititional assistance, in the way of loans and discounts. And, thirdly, he will think it prudent to keep a larger sum in his till to meet contingent demands. On the other hand, the bills he holds will not all of them be regularly paid; the temporary loans he has granted will have to be renewed; and should he call up any of his permanent, or dead loans, it will resemble calling spirits from the deep. In this case he will find the benefit of a large capital; and it is only by means of a large capital that all these operations can be performed with comfort to himself and satisfaction to his customers. But if we increase our capitals to the full extent that may be required in seasons of pressure, we must not expect to pay high dividends. It is obvious that, with the same extent of business, a bank with a large capital must pay a lower dividend than a bank with a small capital. It seems therefore likely that the average rate of banking profits will be reduced.

"The fluctuations in the value of money produced by attempting to regulate the currency by the foreign exchanges are injurious to both the London and the country bankers. In seasons when money is abundant, the bankers obtain but a low rate of interest on their loans and discounts; and they are tempted to make imprudent investments in order to employ their funds. And when, on the other hand, money is scarce, the amount

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of their lodgments is reduced; the rate of interest allowed on the permanent deposits is advanced; a larger sum is kept unemployed in the till; and there is more danger from losses, either by the failure of parties in debt to the bank, or by the necessity of realizing government securities. Those country bankers who are in the habit of re-discounting their bills in London are induced, when money is abundant, to carry this system to a great extent, because they can obtain money at two or three per cent. in London, and lend it in the country at four or five per cent. But when money becomes scarce they have to pay an exorbitant interest or are denied discounts altogether, and they are then compelled to refuse their customers their usual accommodation, and then great distress is occasioned in the provinces. Except under peculiar circumstances, both the extremes of abundance and scarcity of money are unfavorable to large banking profits, — a state in which money is easy without being abundant, and valuable without being scarce, is the most conducive to the prosperity of both the banking and the commercial interests of the country." (*An Inquiry into the Causes of the Pressure on the Money Market during the year* 1839.)

While, however, the profits of a banker from the ordinary operations of his business may be diminished, it is possible he may have opportunities of making other profits by those fluctuations in the prices of public securities, which usually occur in the different periods of a circle of the currency. In the first period, immediately after a pressure, money is abundant without speculation; in the second period, money is abundant and speculations abound; in the third period, speculation begins to decline and money is in demand; in the fourth period, money is scarce and a pressure arrives. It is impossible to say how long each of these periods may last, as they will be influenced by political events, the abundance of the harvests, the direction which speculation may take, and the state of the public mind. Their approach or decline is generally indicated by the stock of gold in the Bank of England.

During the first period money will be abundant, because the importation of gold will cause an increased issue of bank-notes; because, the import of commodities being diminished, there will be fewer bills drawn from abroad upon English houses and offered for discount to the London bankers; and because trade will have become paralyzed at home, and prices will have fallen, so that less money will be required to carry it on. A banker at this period, will have more money than he can employ. But at this period, the prices of the public funds and of other securities are low. The act of 1844, by causing great fluctuations in prices, gives great advantage to prudent capitalists, at the expense of the less prudent or less wealthy classes of the community. "All fluctuations in trade," says Mr. Gurney, "are advantageous to the knowing man." (*Lords*, 1324.) To those who are not "knowing men," these fluctuations are injurious. The abundance of the circulation produces a multiplication of contracts, and then the contraction of the circulation produces an inability to fulfil them. (*Lords*, 3845.) And those who have stock or any other kind of salable property, are obliged to realize in order to fulfil their engagements. Bankers may, during this period, make advantageous in-

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vestments; and as they may calculate that another pressure will not arrive for two or three years, they may purchase a limited amount of securities that have six or twelve months to run. During the second period, money will be in demand, though there may be no great advance in the rate of interest. The securities purchased by the banker in the first period, will now be falling due or advancing in price. But this will be the period of his greatest danger, and he must have a care not to let his desire of getting higher interest lead him to make undue advances upon the commodities or securities that may be the subject of speculation. The third period will be the most profitable for the banker in his direct business. Money will be in full demand at a good rate of interest, and his deposits will hardly have begun to decline. He should now sell out stock and exchequer bills, or any other securities likely to be affected by the approaching pressure. He should make advances only by discounting short bills or making short loans. He should weed his accounts of such customers as have deeply engaged in the previous speculations; and put himself in a condition to support liberally through the pressure those who may be entitled to his assistance.

It seems therefore probable that bankers will, under the act of 1844, endeavour to make up for diminished profits by dealing more largely in securities. According to the evidence of Mr. Pease, the fluctuations in the currency have already produced similar effects in the departments of trade and commerce.

"I stated, as clearly as I was able to do, that the man who bought from hand to mouth, which is the common case, and did not watch those fluctuations of capital, so as to buy when things were unusually depressed, and to sell when things rose again, failed. The only man who succeeded in making money, succeeded in carrying on a speculative kind of business, that has arisen from the want of regularity in the values of money and produce. The man who did not so speculate — buying largely at one time, and selling very freely at another — did not succeed." "It is of great importance that persons who do not desire to carry on a speculative business, should have some assurance that it is moderately productive. That assurance they have lost, by being suddenly deprived by those fluctuations of that which they thought they had secured by their industry." (*Commons*, 4700, 4702.)

Though we would not confound this kind of speculation with that which takes place by means of time bargains on the Stock Exchange, yet we do not think it desirable that banks should deal in the public securities merely with a view of making a profit from the fluctuations in price. Sometimes the banker will be out in his calculations, and, instead of selling at a profit, he will have to sell at a loss, or else submit to a lock-up of his funds. And at all times there is a danger that he will acquire a speculative feeling, which will lead him to disregard the steady pursuit of his trade.

Section IX. — The Administration of the Banking Department of the Bank of England.

By the act of 1844, the banking department of the Bank of England was separated from its issuing department; and was to be managed like

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"any other banking concern issuing Bank of England notes." Taking this view of the banking department, we propose to inquire on what principles it ought to be administered. We shall do this, however, not so much with the view of bringing forward any notions of our own, as to lay before the reader some account of those principles which the bank directors have adopted for their government. This will lead us, peradventure, to discuss some principles of practical banking to which we have not hitherto had occasion to refer. We shall then trace the operations of this department since the passing of the act of 1844.

The Bank of England is governed by a court of directors, consisting of twenty-four members. These are selected from the mercantile classes of London, virtually, by the other directors, who form what is called a House List. They recommend certain persons to be chosen as directors, and the proprietors always follow this recommendation. The court hold their meetings every Thursday, and they then receive a report of the transactions of the preceding week.

The executive administration, in the mean time, is in the hands of the governor and deputy-governor, who may be advised or assisted by the committee of treasury. This committee is composed of those directors who have held the office of governor, of the existing governor and deputy-governor, and of the director who is intended to be the next deputy-governor. A director is at first an ordinary director, and attends the weekly meetings of the court. In turn he becomes, for one year, a member of the committee of treasury; then deputy-governor for two years; then governor for two years; and afterwards a permanent member of the committee of treasury. This committee meet once a week, and at such other times as they may be called together specially by the governor. Sometimes they discuss the measures that are to be submitted to the next meeting of the court; but the court do not now so readily as formerly adopt their recommendations. The governor and deputy-governer, for the time being, make all loans and advances, and sometimes raise the rate of discount, without waiting for the opinion of the court. They conduct all negotiations with the government, and, subject to the sanction of the court, have the whole administration of the affairs of the bank. Each director must hold £2,000 bank stock; the deputy-governer, £3,000; and the governor, £4,000. It was the rule that every director should take his turn for becoming governor, but recently it has been determined to place in that office the director whom the other directors shall, by ballot, think best qualified. Several suggestions were made before the parliamentary committees, for improving the composition of the court of directors. It was proposed that all the directors should not be taken from the commercial classes, but that some should be selected from the banking and manufacturing interests. It was also asked, whether a permanent governor, either for life or for a number of years, would not be preferable to the present system.

The act for separating the two departments came into operation on the 31st August, 1844, and the following was the first return made under the act, showing the condition of the banking department on the 7th of September, 1844: —

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Account of the Liabilities and Assets of the Bank of England, for the week ending 7th September, 1844.*

Dr.	ISSUE DEPARTMENT.	*Cr.*
	£	£
Notes issued, . . .	28,351,295	Government debt, . . 11,015,100
		Other securities, . . 2,984,900
		Gold coin and bullion, . . 12,657,208
		Silver bullion, . . . 1,694,087
	£28,351,295	£28,351,295

BANKING DEPARTMENT.

	£		£
Proprietors' capital, . .	14,553,000	Government securities, .	14,554,834
Rest, ...	3,564,729	Other securities, . .	7,835,616
Public deposits, . . .	3,630,809	Notes, ...	8,175,025
Other deposits, . . .	8,644,348	Gold and silver coin, .	857,765
Seven-day and other bills, .	1,030,354		
	£31,423,240		£31,423,240

It will be seen from the above, that the means or funds of the banking department for carrying on its business, consists of, — 1. The paid-up capital; 2. The rest, or surplus fund; 3. The public deposits; 4. The other deposits; 5. The seven-day and other bills. These funds are invested in "government securities" and in "other securities," and the remainder is kept as a reserve in the till.

1. Viewing this as the condition of a private and independent bank, the first thing that would strike the mind of a practical banker would be the large amount of the PAID-UP CAPITAL. The capital is £14,553,000; while the total deposits are only £12,275,157. The object of a large capital is, in the first place, to secure the public confidence; then, to have the means of repaying the deposits whenever demanded; and also, of affording to the customers of the bank every reasonable accommodation in the way of loans or discounts. But after making due provision for these objects, this amount of capital appears unnecessarily large. Were it only £7,000,000, that would be amply sufficient for carrying on the present extent of business, and the rate of dividends might then be increased. All above this amount could only be invested in government securities, never likely to be required for banking purposes; and if required, could not be suddenly realized, or at least not within the period in which they are likely to be wanted.

2. The next thing that would appear remarkable for a private bank, is the large amount of the REST, or surplus fund.

The Rest, or surplus fund, or Guarantee Fund, as it is sometimes called, consists of the accumulation of surplus or remaining profits after the payment of the dividend. The object of this fund is not to guarantee the public for the security of their deposits, but to guarantee to the shareholders the uniformity of the dividend. If, in any one year, the profits fall below the amount required to pay the usual dividend, the deficiency

* The Table on the next page will give a more detailed account of some of the items in the above return.

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is taken from the rest or surplus fund. The amount of this fund should be regulated by the extent of the business and the probable loss that might arise in conducting that business. If the fund is five or six times the amount of the deficiency that might possibly arise in making up the annual dividend, it would appear to be sufficient. For if, after making up this deficiency for one, two, or three years, it should appear that the

7th September, 1844.

Dr.	£	£	*Cr.*	£	£
Circulation:			Public Securities:		
London,	14,802,000		Advances on Exchequer Bills.		
Country,	6,405,000		Deficiency,	870,000	
		21,207,000	Other Exchequer Bills,	311,000	
Deposits, Public, viz.:—			Exchequer Bills Purchased,		
Exchequer Account,	2,198,000		Stock and Annuities,	12,821,000	
For Payment of Dividends,	315,000				14,002,000
Savings Banks, &c.,	501,000		Private Securities:		
Other Public Accounts,	617,000		Bills discounted,—		
		3,631,000	London,	113,000	
Deposits, Private, viz.:—			Country,	2,003,000	
Railways,	30,000				2,116,000
London Bankers,	963,000		Exchequer Bills, Stock, &c.,	661,000	
East India Company,	636,000		East India Bonds,	198,000	
Bank of Ireland, Royal Bank of Scotland, &c.	175,000		City Bonds, &c.	3,357,000	
			Mortgage,	620,000	
Other Deposits,	5,631,000				
Deposits at Branches,	1,209,000				
		8,644,000	Advances:		
			Bills of Exchange,	883,000	
					5,719,000
					21,837,000
Bullion,					15,209,000
		£33,482,000			£37,046,000

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profits of the bank had become permanently diminished, then the course would be to reduce the dividend until the surplus fund had recovered its former amount.

Banks that have made large profits have either increased the dividend, or distributed them among the shareholders in the form of bonuses, or have added them to the capital. The Bank of England have adopted all these plans. Yet, after all these distributions of increased dividends, bonuses, and additional capital, the bank had on the 7th of September, 1844, a rest, arising from surplus profits, of £3,564,729. No other "banking concern carrying on business with Bank of England notes," would think it necessary to keep such a rest. Neither the kind nor the extent of business carried on, is ever likely to require any thing like this amount to meet any occasional losses. The amount is altogether excessively disproportionate to the purposes for which a surplus fund is usually applied, and at the same time it tends to give an erroneous view of the profits of the bank. This rest is employed in the business, and yields profits, but it pays no dividends. The profits go to swell the dividend on the capital, and hence the capital appears to yield a profit of 7 per cent. But the dividend of 7 per cent. is not made upon the capital alone, but on the capital and rest together, and hence upon the funds employed it amounts to only about $5\frac{3}{4}$ per cent.

3. The Deposits.

The Public Deposits are thus classified: —

	£
Exchequer account,	2,198,000
For payment of Dividends,	315,000
Savings Banks, &c.,	501,000
Other public accounts,	617,000
	£3,631,000

The "Exchequer account" is the current account with the government, and this account is credited with the amount of the taxes as they are lodged in the bank. In the beginning of January, April, July, and October, this account is debited for the amount necessary to pay the quarterly dividends, and the amount is carried to the credit of the account "for payment of dividends." The balance here standing to the credit of this account is the amount of the dividends that had not then been claimed. The next account is called "Savings Banks, &c." The trustees of the savings banks throughout the country are required to lodge the deposits in the Bank of England to the credit of the Commissioners for the Reduction of the National Debt, who afterwards invest it in the public funds. We do not know what is meant by "&c.," nor yet by the "other public accounts." We believe there are certain accounts connected with the Court of Chancery that are required to be kept with the Bank of England; and, by the last bankruptcy law, the effects of bankrupts' estates are required to be lodged in some one or other of the branches. These may form the "other public accounts."

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The Private Deposits are thus classified: —

	£
Railways,	30,000
London Bankers,	963,000
East India Company,	636,000
Bank of Ireland, Royal Bank of Scotland, &c.,	175,000
Other Deposits,	5,631,000
Deposits at Branches,	1,209,000
	8,644,000

With regard to both the public and the private deposits, a banker would inquire whether they were fluctuating or permanent; whether repayable at fixed periods, or liable to be suddenly withdrawn. He would thus ascertain what proportion could be profitably employed, and what amount should be kept in the till, to meet constant or occasional demands. He would observe on inspection that the balance of the "exchequer account" increases gradually during the quarter, from the receipt of the taxes, until the commencement of the next quarter, when it is largely reduced by the payment of dividends. He will, therefore, provide for these quarterly payments; but his provision will be less ample when informed, that, as the public deposits decline, the private deposits will increase, and more especially those of the London bankers. This is partly in consequence of the bankers holding powers of attorney to receive the dividends due to parties who reside in the country, and partly because the abundance of money caused by the payment of dividends increases their own deposits, and thus enables them to keep for a time larger balances in the Bank of England. We have already said that no rule can be given as to the amount of notes which any banker should keep in his till, — the proper amount can be ascertained only by experience. But we should imagine that in ordinary times the deposits in the Bank of England are sufficiently steady to prevent any perplexity on the subject. We may be asked what we mean by "ordinary times," since now every year differs from its predecessor, and the steadiness and uniformity which heretofore characterized banking and commercial affairs are no longer known. We reply, that by "ordinary times," we mean those times that are the least affected by the foreign exchanges. For some years past it has been the practice to regulate the issue of bank notes by the foreign exchanges. When the foreign exchanges bring gold into the country, bank notes are issued against it, money becomes abundant, and the bank deposits increase. When the exchanges take out gold, the bank notes are diminished, and the bank deposits decline. This system has, in a great measure, been acted upon by the bank directors since the year 1832, and it is now rigidly enforced by the act of 1844. These extraordinary seasons of great influx or great efflux of gold appear to be subject at present to no general rules. But at other times there seems to be no reason why the Bank of England should not profitably employ a large portion of her deposits. We may observe, however, that, as the bank allows no interest on any of her deposits, she sustains no loss even when they are not employed; but were they to be employed, her profits would be greater.

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4. With regard to the INVESTMENTS, a banker would inquire first, Are they safe? Secondly, Are they convertible?

There seems no ground to question their safety, — their convertibility is not so obvious. The Government stock, Exchequer bills, and East India bonds, must be considered in ordinary times, and to a reasonable amount, as strictly convertible. But this is not the case with the Government annuities. They could not be sold in the market; and even by private negotiations, few buyers would be found, except the insurance offices. Even with them the negotiations would probably occupy considerable time. As to the city bonds, railway bonds, and mortgages, they would in a season of pressure be altogether useless. It may be said, that the bank's capital being so large, a portion may, without inconvenience, be locked up in dead securities. This observation is valid to a certain extent, but not to an indefinite extent, and, after giving it due weight, the amount thus invested seems too large.

The annuities form a large portion of the amount of the "Stock and Annuities." The first is an annuity of £585,740, usually called the "Dead Weight," which commenced on the 5th April, 1823, and is to continue for forty-four years from that time. Other annuities arose out of the Bank Charter Act of 1833. The government were to pay to the bank one fourth of the permanent debit of £14,686,800, amounting to £3,671,700. At first it was arranged that the bank should receive in payment of this sum £4,000,000 three per cent. reduced annuities; but it was afterwards changed to an annuity for twenty-six years, and will expire in 1860, at the same time as the "Long Annuity."

The bills discounted, and the short loans called "Advances on bills of exchange, exchequer bills, stock, &c.," are most legitimate banking investments.

The plan of granting short loans was commenced in 1829, to obviate that tightness in the money market which was felt for a month or six weeks before the payment of the dividends, through the gathering in of the taxes into the exchequer. The rate of interest charged was usually about one per cent. less than the discount charged on bills. The loans were repayable to the bank at about the time that the dividends were paid to the public. Notices were issued, stating the rate of interest, and the kind of securities on which loans would be made, and the time of repayment. The first notice was issued on the 3d of December, 1829, and the practice continued until after the passing of the act of 1844.

Advances on deficiency bills are a kind of short loans made to the government, whenever the taxes are less than sufficient to pay the public dividends. These advances seem to be very legitimate. The bank has one large customer. A customer who keeps large deposits will sometimes require large advances. These advances may, peradventure, be wanted at a time when it may not be exactly convenient for the banker to make them. All large accounts may at times be attended with some inconvenience. But if a banker takes such accounts, he must make his arrangements accordingly. In the present case, the bank has the advantage of knowing, by the progress of the lodgments on the "Exchequer account," whether such advance is likely to be required.

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When the government requires these advances, the bank must either make them out of her reserve in the till, or sell public securities to obtain bank-notes, or restrict her advances to other parties. It is peculiarly unfortunate that the government is more likely to require these advances in seasons of pressure, inasmuch as in those seasons the taxes are usually less productive and are less punctually paid. Hence the bank may be called upon to make advances to government at the same time that similar advances are required by the commercial classes. In some cases the bank might not have the means of making advances to both parties. Had the government required such advances in October, 1847, the commercial distress must have been considerably increased.

5. The Reserve. — A practical banker would, at first sight, consider this reserve as too large. From the amount and character of the deposits it would not appear that so large a reserve was necessary, and a portion might well be employed in earning interest, instead of lying unproductive in the till. But, before we condemn the bank directors, we must give this matter further consideration. We have already stated, that, even before the passing of the act of 1844, the directors had been in the habit of issuing their notes against gold and silver bullion; and when a large amount of notes had not been thus issued, the deposits in the bank were increased. Now, when this act came into operation, — August 31st, 1844, — the bank had in this way acquired a large amount of gold and silver bullion; indeed, she does not ever before appear to have had so large an amount in the whole course of her history. If we look to those years which preceded pressures (for in these years gold on hand is usually large), we shall find that in 1824 the amount was £ 13,810,080; in 1836 the highest quotation is £ 7,801,000; and in 1838 it is £ 10,126,000; but on the 7th of September, 1844, the amount returned in the issue department is, gold £ 12,657,208, and silver £ 1,694,087, while the sum of £ 9,032,790 was retained in the banking department. Notes, of course, had been issued against all this bullion, and the deposits in the bank had consequently increased. "Well," it may be said, "this will account for the increase of the deposits, but not for the increase of the reserve. Why were not the deposits invested?" We will explain this. There are some classes of investments which the bank directors can make independently of other parties. For instance, they can purchase government stock, exchequer bills, and railway bonds, just as they please. But, as we have stated, it is not prudent in a banker to invest the temporary increase of his deposits in this way, as, when the deposits are withdrawn, he may have to sell these securities at a lower price, and thus sustain loss. There are other classes of investments for which the bank is, to a certain extent, dependent on other parties; such, for example, as the discounting of bills and the granting of loans. The bank directors cannot invest their money in these ways unless there are parties willing to receive it. Now, while a portion of the notes issued against gold and silver bullion are lodged with the bank in the form of deposits, another portion, and sometimes the largest portion, do not go into the bank, but are circulated among the public, and soon find their way into the hands of bankers, bill-brokers, and money dealers, who, from the abundance of money, will

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discount bills and grant short loans at a lower rate of interest than the bank. The bank will, therefore, have no further applications. When her bills and loans fall due, they will be paid, and the amount will go to increase her reserve. Thus it appears that the notes which, in a favorable course of the foreign exchanges, are issued against gold and silver bullion, will tend in two ways to increase the bank reserve; first, by increasing her deposits, and secondly, by diminishing her securities. This will account for the large amount of the reserve. The rule laid down by the directors is, that the reserve should be about one third the amount of the deposits.

Having given these explanations, we shall now proceed to notice the operations of the banking department of the Bank of England since its separation from the issuing department by the act of 1844: —

I. The operations of the Banking Department, from the passing of the act in 1844, to September 5, 1845.

The act came into operation on the 31st of August, 1844, and almost immediately some important changes were introduced. Up to that date the bank had never discounted at a lower rate than four per cent. This rate, in ordinary times, had seldom varied, and all bills discounted at the same time were charged the same rate. But, on the 5th of September, the rate of discount on bills was reduced from four to two and a half per cent., and on notes to three per cent. On the 18th of March, 1845, the bank introduced the principle of a *minimum* rate of discount; fixing two and a half per cent. as the rate on first-rate bills, and charging a higher rate on other bills. The object of these changes was to employ a portion of the reserve in the discount of bills.

This line of conduct was by no means unwarranted by the practice of "other banking concerns." It is an established principle in practical banking, that a banker, when he cannot employ his surplus funds at so high a rate of interest, as he wishes to obtain, should employ those funds at a lower rate, rather than keep them unemployed in his till. And it is also an established practice to charge different rates of discount on different bills, according to the class or character of the bills, the respectability of the parties, the time they have to run, and a variety of other circumstances. In adopting these regulations, therefore, the directors were only performing the work assigned to them, of conducting the banking department "like any other banking concern issuing Bank of England notes."

These changes gave rise, in the parliamentary committees of 1847, to some discussion upon the question as to whether the Bank of England governed the market-rate of interest, or the market-rate of interest governed the bank-rate. There can be but little difference of opinion upon this subject. The "market-rate" of interest is the rate which bankers and bill-brokers charge for discounting first-class bills to the public. When the foreign exchanges are bringing gold into the country, and notes are issued against this gold, the abundance of money in the hands of the bankers and bill-brokers causes the market-rate of discount to fall below the bank-rate. If during this season the bank charges a high rate, she gets but few bills. On the other hand, when gold is going out of the

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country, and money becomes scarce, the market-rate is higher than the bank-rate. If during this period the bank charges a low rate, she must soon limit her discounts, or her reserve will be exhausted. But, though the bank cannot change the course of the current, she can give it increased strength. Though she cannot make money dear when it is cheap, nor cheap when it is dear, yet when it is cheap she can make it cheaper, and when it is dear she can make it dearer. Hence, every alteration in the bank-rate has always an immediate influence on the market-rate.

Such was the case in September, 1844. The large importations of gold had reduced the market-rate of discount to 2½ per cent., while the bank charged 4 per cent. But when the bank reduced her rate to 2½ per cent., the market-rate went down to 2, and even to 1½ per cent. To engage actively in discounting bills was a new feature in the bank management. In 1832, the then governor stated to the committee of the House of Commons, that he thought the bank should be a bank of circulation and of deposit, and only *occasionally* a bank of discount. But the act of 1844 placed the bank in a new position, and led to the adoption of new principles. Formerly the bank had invested her surplus funds in government securities. But when she purchased, the price advanced; and when she sold, the price fell. This produced a fluctuation inconvenient to the public. Often, too, she purchased when the price was high, and sold when the price was low; and thus sustained loss. It was therefore deemed preferable to invest a portion of her reserve in the discount of bills. The sums thus invested would return as the bills fell due, and the reserve could at any time be strengthened by checking the discounts.

The directors having determined to invest a portion of their funds in discounts, it became necessary to reduce their rate of interest to nearly the market-rate, or they would have got no bills.

An eminent London banker, distinguished by his support of the act of 1844, says, — "If the bank is to continue as a large discounting body (of the expediency of which I entertain considerable doubts), I think it very desirable that its rate of interest should conform to the real market value of money." (*Lords*, 1632.) The directors seemed to think it necessary that they should in some way employ their reserve, in order to prevent the too great accumulation of bank notes in the issue department. (*Commons*, 3009.) We here give no opinion as to the best way of employing the bank's reserve, but we are quite ready to admit, as the governor admits in reply to a question, that "the true principles of banking are, first, that a bank shall never place itself in such a position as that it shall be unable to meet its liabilities; and next, that it shall employ the whole of its resources at the greatest profit that it can with reference to prudence, looking to its reserve." (*Commons*, 3722.)

In thus coming into competition with the money dealers, reducing the rate of interest, exciting a feverish state of feeling in the public mind, and giving facilities to the formation of companies for speculative purposes, the bank directors are accused of having violated their public duties as the bank of the government, and thus sacrificed the interests of the nation to

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the interests of their proprietors. We shall not meddle with this question. We have here nothing to do with the *public* duties of the bank directors. We are considering the banking department as "any other banking concern." Generally speaking, Providence has so constituted human society, that all banking companies, and all individuals too, will most effectually promote the public interests, when by honorable means they promote their own. If this is not the case with the Bank of England, it must have arisen from the acts of the Legislature; and the fact — if it be a fact — is presumptive evidence against the wisdom and the justice of those laws by which she was placed in that position.

At the close of this period, we find that the London discounts had increased from £113,000 to £2,365,000, and the "City Bonds, &c.," had increased from £3,357,000 to £4,009,000, owing, it is presumed, to the purchase of railway debentures. The circulation of the issuing department had increased from £28,351,295 to £28,953,300 (see the Returns at the end of this section), and the minimum rate of interest charged by the bank was 2½ per cent.

II. The Administration of the Banking Department from September 6, 1845, to September 5, 1846.

During this period there were three alterations in the minimum rate of interest. On October 16th, 1845, it was raised from 2½ to 3 per cent.; on November 6th to 3½ per cent.; and on August 17th, 1846, it was again reduced to 3 per cent. In fixing the rate of discount, the directors took into account the amount of bullion in the issue department, the reserve in the banking department, and the amount of the discounts. The amount of bullion virtually regulated the other two; and thus the interest was governed by the foreign exchanges. At the same time, the directors, as practical bankers, would pay the greatest attention to their reserve, as it was only from this source that any advances could be made. Hence, sometimes one object of raising the rate of discount was to diminish the number of applications. It was thought better to protect the reserve by raising the rate, than by positively refusing to discount.

In the beginning of 1846, a circumstance occurred which increased both the deposits and the discounts of the bank, and added greatly to her profits. The railway companies, who were desirous of obtaining acts of Parliament to authorize the construction of their lines, were required to pay into the Bank of England, within fourteen days of the meeting of Parliament, ten per cent. on the estimated amount of their capital, to be returned when the company had obtained the act, or when the application had been rejected. Every body wondered beforehand how so large a sum could be paid out of the amount of notes then in circulation. But the bank acted with the railway deposits as she had been accustomed to act with the public deposits previous to the payment of dividends. As fast as the money came in, it was lent out; and thus a transaction of large magnitude was effected without much difficulty. This shows the importance of a government bank. Had the deposits been required to be lodged in the exchequer, and there to remain until reclaimed by the railway companies, the operation could not have been effected. The bank could have performed it with greater facility previous to the passing of the act of 1844.

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She could then have lent out her notes *before* the lodgments were required to be made; there would have been no previous apprehensions, nor any tightness during the operation.

III. The Administration of the Banking Department from September the 5th, 1846, to September the 4th, 1847.

In September, 1846, the minimum rate of discount was 3 per cent. On January the 14th, 1847, it was raised to 3½ per cent., and on the 20th of the same month to 4 per cent.; on April the 8th to 5 per cent., and on the 5th of August to 5½ per cent.

During the whole of this period the foreign exchanges were unfavorable, and the circulation of the issuing department declined from £ 29,760,870 to £ 22,396,845. (By deducting £ 14,000,000 from this sum, we see the amount of gold and silver bullion on hand in the issue department.) This was attended by a decline in the reserve of the banking department, and an increase in the amount of loans and discounts.

The bank directors did not raise their rate of discount above 3 per cent. until the month of January, 1847. For this they have been severely censured by parties who have had the advantage of not being compelled to form any opinion until after the result was known. The month of April was an important month. From the deficiency of the harvest, large importations of corn took place. These imports were paid for in gold, which was suddenly withdrawn from the issue department, for exportation.

Contemporaneous with this export of gold, the government required to borrow £ 3,500,000 upon deficiency bills, in order to pay the dividends. Under the old system this might not have been a matter of much importance, but the case was different under the act of 1844. The banking department was rather in danger of getting into what the Americans call a "fix." To avoid this "fix," the directors raised the rate of discount to 5 per cent.; they refused to led money even upon exchequer bills; they limited their discounts; and they borrowed £ 1,275,000 on consols. These measures caused a severe pressure on the money market, but it soon subsided. From this period the foreign exchanges were favorable to this country.

The operations of this month of April, 1847, have given rise to much discussion.

The advocates of the act of 1844 have pointed to the transactions of this month to prove that the management of the issue department cannot be safely intrusted to the bank directors. They say that if the bank had advanced its rate of interest, they might have prevented the unfavorable course of exchange, and consequently have avoided the pressure which then occurred. On the other hand, it has been stated that the bank ought to be guided in its rates of interest by the amount of its reserve; that from November, 1846, to April, 1847, the reserve was above one third of its deposits, a greater reserve than any other bank would think it necessary to keep; that the demand for gold was so sudden, and for so large an amount, that no ordinary rules could have prevented it; and even had it been prevented, it might have been injurious to the country, as it would have checked the importation of corn, which was then required in consequence of the deficiency in the harvest. There can be no doubt,

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that, under the act of 1844, a sudden exportation of gold must cause a sudden contraction of the amount of notes in circulation. This "self-acting machine" acts by jerks, like a steam-engine without a fly-wheel; and its advocates look to the banking department to supply the fly-wheel, and to cause the machine to move smoothly and equably. It may be doubted whether the banking department has the power of doing this. But when this is not done, the advocates of the act throw the blame upon that department. They resemble the court preceptor, who, when the royal pupil did any thing wrong, inflicted the beating on his fellow-student. If on this occasion the bank did wrong, it may be feared that it was her court connection which led her astray. The government were then negotiating a loan of eight millions for the relief of Ireland. And "there was a feeling in the court that, in the face of the government negotiating a loan, it would be an act of want of courtesy to put up the rate of interest immediately." (*Commons*, No. 3001.) In the secret history of the Bank of England we may possibly find other instances of similar faults. But if on the present occasion she was influenced by such considerations, she did not act "like any other banking concern."

The events of April, 1847, also lead us to remark that the London bankers never vary their rate of discount with a view to regulate the foreign exchanges. If it behoves the banking department to do this, it has certainly to perform duties which are not considered to belong to "any other banking concern." Nor do the London bankers suddenly and abruptly stop discounting for those customers in whom they have confidence. The frequent occurrence of such suspension of loans and discounts as occurred in April, 1847, would form an insuperable barrier to the banking department ever acquiring that kind of business which is carried on by the London bankers. No merchant would like to depend on such a bank for the means of making his daily payments. We believe, however, that most mercantile firms that have a discount account with the Bank of England, have another banking account elsewhere, and some have also accounts with the large bill-brokers.

The pressure that existed in April, 1847, has been attributed to the publication of the amount of the bank's reserve. It was said, and said truly, that the bank might very prudently reduce her reserve for a few days below the average amount, knowing that, by bills falling due, or by other means, she would soon receive a sum that would replenish her coffers. But the public, seeing only the amount of the reserve, and knowing nothing of the sums about to be received, might become unnecessarily alarmed, and hence a panic might ensue. Upon this ground, some parties questioned the policy of publishing the bank accounts in their present form. But the remedy for this is not to suppress the returns, but to circulate throughout the community such an amount of knowledge as shall enable them to judge accurately respecting banking affairs. Other parties, of a higher class than those we denominate the public, have fallen into erroneous opinions by a literal adhesion to these returns. Almost up to the time of the suspension of the act of 1844, it was contended by some who "sit in high places" that there could be no pressure on the commercial classes, since there were *then* more notes in the hands of the

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public than in former seasons when no pressure existed. And before the Parliamentary committees of 1847, it was stated by the governor and deputy-governor that it could make no difference to the public whether the bank advanced three millions, or any other sum, to the government on deficiency bills, or advanced the same sum in loans and discounts to the commercial classes, inasmuch as the returns would show that the amount of notes in circulation would be the same. The events that followed the suspension of the act showed the fallacy of these opinions. It was shown that the amount of notes in the hands of the public is not of itself a certain criterion by which to judge of the amount of banking facilities enjoyed by the commercial classes.

IV. The Administration of the Banking Department from September, 1847, to September, 1848.

During this period the minimum rate of interest was advanced from 5½ to 6 per cent. on the 23d of September; to 8 per cent., by authority of the government letter, on the 25th of October. It was reduced to 7 per cent. on the 22d of November; to 6 per cent. on the 2d of December; to 5 per cent. on the 23d of December; to 4 per cent. on the 27th of January, 1848; and to 3½ per cent. on the 16th of June.

At the commencement of this period a great number of commercial houses failed, not only in London, but also in Liverpool and Glasgow, and other large places. The following is the account given by the Governor of the bank to the committee of the House of Lords: —

"An unprecedented large importation of food, caused by a deficient harvest, required in payment the export of a large amount of bullion, to the extent of about £7,500,000, from the coffers of the bank, and probably not less than £1,500,000 from other sources, — together £9,000,000. From this great reduction in the available capital of the country, in addition to the still larger amount invested in railway expenditure, acting suddenly upon a previous high state of credit and excessive speculation, arose the pressure in the money market. There was an abstraction of £7,500,000 from the bullion held by the bank, and consequently a diminution in the notes to that extent." (*Lords*, 12.)

During this period the bank acted with great liberality. The following is a list of the advances made between the 15th of September and the 15th of November: —

"1. The Bank of England being applied to by a very large firm in London, who had at that time liabilities to the extent of several millions sterling, advanced £150,000 on the security of debentures to that amount of the Governor and Company of the Copper Miners in England, and thereby prevented them from stopping payment; it was distinctly understood that the operation was for that purpose. 2. The bank advanced £50,000 to a country banker on the security of real property. 3. On the urgent representations of several parties of the first importance in the city of London, the bank advanced £120,000 to the Governor and Company of the Copper Miners, on the guarantee of approved names, taking at the same time a mortgage on the company's property for £270,000 to cover this sum, and the amount of £150,000 debentures before advanced upon; it was stated that the stoppage of this company would have thrown ten thousand people out of employment. 4. The bank advanced £300,000 to the Royal Bank of Liverpool, on the security of bills of exchange, over and above their usual discounts to this bank. This advance unfortunately proved inadequate, and the Royal Bank, having no more security to offer, stopped payment. 5. The bank assisted another joint-stock bank in the country with £100,000 on the security of bills of exchange, over and above usual discounts. 6. The bank advanced £130,000 on real property to a large mercantile house in London. 7. The bank advanced £50,000 to

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another mercantile house on the guarantee of approved names. 8. The bank advanced £50,000 to a joint-stock issuing bank on bills of exchange, and agreed to open a discount account with the said bank, on condition that it should withdraw its issues, but the joint-stock bank stopped payment before the arrangement could be completed. 9. The bank advanced £15,000 on real property to a large establishment in London. 10. The bank assisted, and prevented from failing, a large establishment in Liverpool, by forbearing to enforce payment of upwards of £100,000 of their acceptances, and engaging to give further aid if required. 11. The bank assisted a very large joint-stock bank in the country with advances on loans on bills of exchange to the extent of about £800,000, over and above usual discounts. 12. The bank advanced £100,000 to a country banker on real property. 13. The bank advanced a joint-stock bank in the country £200,000 on the security of local bills, besides discounting £60,000 of London bills. 14. The bank assisted another joint-stock bank in the country with an advance of £100,000 on local and London bills. 15. The bank advanced £100,000 to a large mercantile house in London, on approved personal security. 16. The bank assisted a large house at Manchester to resume payment by an advance of £40,000 on approved personal security. 17. The bank advanced £30,000 to a country bank on real property. 18. The bank assisted many other houses, both in town and country, by advances of smaller sums on securities not admitted by the bank under ordinary circumstances; nor did the bank, during the period in question, reject at their London establishment any one bill offered for discount, except on the ground of insufficient security." (*Commons*, 2645.)

Some of these advances were not made till after the appearance of the government letter on the 25th of October. Up to that date the efforts of the bank were inadequate to allay the pressure, while they largely reduced the bank's reserve. On Saturday, the 23d of October, a deputation from the London bankers waited on the Government, who then determined to suspend the act of 1844; and on the same day gave intimation of their intention to the Bank of England. On Monday morning, a letter appeared from Lord John Russell and the Chancellor of the Exchequer, authorizing the directors of the Bank of England to enlarge their discounts and advances, and promising that if by so doing the existing law should be infringed, the government would apply to the legislature for a bill of indemnity. The letter suggested that these advances should not be made at a lower interest than 8 per cent. The effect of this letter was immediate. Confidence was restored, the hoarded notes were brought into circulation, and discounts were everywhere readily obtained. From these causes no infringement of the act took place.

The state of the bank reserve at the date of the suspension of the act occupied the attention of the Parliamentary committees. On Saturday, the 23d of October, the notes on hand amounted to £1,547,270, and the coin to £447,246. This, it should be remembered, was the amount at the London office and at the thirteen branches put together. At the same time the public deposits were £4,766,000, and the private deposits £8,581,000, of which £1,615,000 belonged to the London bankers. The questions put to the governor on this subject seemed designed to show that the bank, so far from being able to assist others, was not in a condition to meet her own engagements. But the governor contended that the amount of the reserve should be taken on the Friday night, before they were acquainted with the intention of the government to issue their letter. The reserve then was £2,376,000. The directors had from £2,000,000 to £2,500,000 of stock which they could have sold, and a large amount of the bills they held fell due in the following week. From these sources

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they would easily have increased their reserve. On the other hand, some of the witnesses declared that no large amount of stock could have been sold, and that, had a run taken place on the London bankers such as that which had taken place on the banks at Newcastle, the bankers' deposits must have been withdrawn, and the Bank of England itself might have been placed in jeopardy.

As we have considered in a previous section the operation of the act of 1844, it is not necessary to pursue this subject any further. After the government letter was issued, the bank still continued to make advances with caution, and, with the view of not infringing the act, they borrowed money on the Stock Exchange at seven per cent., though they had the unlimited power of issuing notes.

Soon afterwards the gold began to return, and money became abundant. From the high rate of interest, the amount imported was large; and, from trade having been paralyzed by the pressure, the demand for it was very small. As the gold increased, the bank rate of interest was reduced. By September 2d, 1848, the circulation of the currency department amounted to £26,883,505, and the bank reserve to £9,410,952.

The following is a copy of the official returns for the four years that have passed under review. To show the further progress of the bank since September, 1848, we have added the returns for the week ending the 2d of February, 1849:—

BANK OF ENGLAND WEEKLY RETURNS.

Account, pursuant to Act 7 and 8 of Victoria, cap. 32, for the weeks ending as follows.

Issue Department.

	1844, Sept. 7th.	1845, Sept. 6th.	1846, Sept. 5th.	1847, Sept. 4th.	1848, Sept. 2d.	1849, Feb. 2d.
	£	£	£	£	£	£
Notes Issued, . .	28,351,295	28,953,300	29,760,870	22,396,845	26,883,505	28,330,845
Government Debt,	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other Securities, .	2,984,900	2,984,900	2,984,900	2,984,900	2,984,900	2,984,900
Gold Coin and Bullion,	12,657,208	12,982,591	13,057,997	7,373,815	12,177,567	13,828,773
Silver Bullion, . .	1,694,087	1,970,709	2,702,873	1,023,030	705,938	502,072
	£28,351,295	£28,953,300	£29,760,870	£22,396,845	£26,883,505	£28,330,845

Banking Department.

Liabilities.	1844, Sept. 7th.	1845, Sept. 6th.	1846, Sept. 5th.	1847, Sept. 4th.	1848, Sept. 2d.	1849, Feb. 2d.
	£	£	£	£	£	£
Proprietors' Capital,	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Rest, . . .	3,564,729	3,608,180	3,864,479	3,966,593	3,826,382	3,576,625
Public Deposits,* .	3,630,809	6,474,705	7,318,919	7,722,704	5,021,591	3,922,307
Other Deposits, .	8,644,348	8,507,213	8,557,109	6,791,373	8,824,607	11,328,544
Seven-Day and other Bills, . . .	1,030,354	1,021,689	935,830	842,711	1,016,921	1,144,824
	£31,423,240	£34,164,787	£35,229,337	£33,896,381	£33,242,501	£31,525,300

* Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts.

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Resources.	1844, Sept. 7th. £	1845, Sept. 6th. £	1846, Sept. 5th. £	1847, Sept. 4th. £	1848, Sept. 2d. £	1849, Feb. 2d. £
Government Securities,* . . .	14,554,834	13,468,643	12,961,735	11,636,340	12,462,735	13,882,267
Other Securities,	7,835,616	11,967,081	12,623,550	17,508,119	11,368,814	10,314,654
Notes, . . .	8,175,025	8,255,505	9,231,095	4,189,830	8,784,795	9,553,460
Gold and Silver Coin,	857,765	473,558	512,957	562,092	626,157	774,919
	£31,423,240	£34,164,787	£35,229,337	£33,896,381	£33,242,501	£34,525,300

We have thus taken a review of the first four years of the proceedings of the Banking Department of the Bank of England. Whatever may be the future operations of that department, this portion of its history will always be interesting. This period is remarkable also as containing one of those monetary cycles to which we must always be liable as long as our currency is regulated by the act of 1844. Each year has a peculiar character. The first commenced at a period of full currency; money was abundant and cheap, the minimum of the bank-rate being 2½ per cent. In the second year the exchanges fluctuated, and the rate of interest fluctuated also. During the whole of the third, the exchanges were unfavorable; gold was exported, and the rate of interest advanced. At the commencement of the fourth year came the pressure; then a favorable course of exchange brought back the gold, the rate of interest was reduced, and again money became abundant.

This period is, moreover, important as an indication of the principles on which the banking department will hereafter be governed. The governor and deputy-governor were examined before the Parliamentary committees in March, 1848. They stated that they approved of the reduction of interest in September, 1844; but they expressed regret that the bank had not advanced the rate of interest in November, 1846, and that they suffered the reserve to fall so low in October, 1847. Should these sentiments be acted upon in future, we may expect that the "banking department" will reduce its rate of interest as heretofore; but when money becomes scarce, it will advance its rate at an earlier period, and be less liberal in making advances.

The following question was put to the governor by a member of the committee of House of Commons: — "You have described as part of the operation of the act of 1844, that you were during the year 1847 obliged to lend consols instead of notes, on account of the limit prescribed by the act; that you borrowed on consols in April; that you were obliged to raise the rate of interest to 9 per cent.; that you refused loans on exchequer bills; that there was a pressure in April and a panic in October; and that Government were obliged to interpose by a letter, in order to protect the public from the restrictive effects of the act: Do you call that a satisfactory history of any system?" (*Commons*, 3450.)

We must, however, distinguish between the "system" as established by the act of Parliament, and the administration of the banking department in consequence of the establishment of that system. We have given in the preceding section our opinion of the system. But the ad-

* Including Dead Weight Annuity.

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ministration of the Banking Department of the Bank of England under the system has, in our sober judgment, been distinguished by a high degree of both wisdom and liberality.

The administration of the banking department since September, 1848, does not call for any particular remark. We have had the usual indications of the first stage after a panic. The bullion in the issue department has increased from £ 12,883,505 to £ 14,330,845; the notes in reserve from £ 8,784,795 to £ 9,553,460. Money has been abundant, and the rate of interest low. On the 2d November, 1848, the bank reduced the minimum rate of discount to 3 per cent. This would probably have been done at an earlier period but for the political aspect of the continent. The same reason possibly has induced the directors to maintain the same interest to the present time (February, 1849), although this appears to be an abandonment of the principle adopted in the year 1844.

Section X. — THE ADMINISTRATION OF JOINT-STOCK BANKS, WITH INQUIRY INTO THE CAUSES OF THEIR FAILURES.

The chief points in which a joint-stock bank differs from a private bank are, the number of its partners, the permanency of its capital, and the form of its government. A private bank has not more than six partners; a joint-stock bank may have a thousand partners. If a partner in a private bank die, or become insolvent, his capital is withdrawn from the bank; in the case of a partner in a joint-stock bank, his shares are transferred, and the capital of the bank remains the same. In a private bank all the partners may attend to its administration; a joint-stock bank is governed by a board of directors. The business principles on which these two kinds of banks are administered are the same, and the observations of the preceding sections will equally apply to both. The topics, therefore, to which we shall in this section more particularly direct our attention, will be those that have a special reference to the constitution of joint-stock banks. We shall describe these banks as they now exist, and then notice those modifications which are imposed on new banks by the "Act to regulate Joint-stock Banks" (7 and 8 Vict., cap. 113), passed in the year 1844. After the 6th of May, 1844, it was not lawful for any new company of more than six persons to carry on the trade or business of bankers *in England*, unless by virtue of letters patent to be granted by her Majesty according to the provisions of that act.

I. All joint-stock banks have a certain amount of paid-up capital.

The payment of a certain portion of the capital before the commencement of business, is a pledge that the project is not a mere bubble, and this is especially necessary when the proprietors have no further liability. But even with unlimited liability a certain amount appears to be necessary. The employment of capital judiciously is sometimes a means of acquiring business; and in case of loss, there should always be a sufficient capital to fall back upon without recurring to the shareholders.

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There is an evil in a bank having too small a capital. In this case, the bank will be but a small bank; the number of proprietors will be few, and the number of persons eligible to be chosen directors will be few; hence there will not be the same guarantee for good management. If a bank with a small capital have also a very small business, it had much better cease as an independent establishment, and become the branch of a larger bank. If, on the other hand, it has a large business, with a large circulation, large deposits, and large loans or discounts, its losses will sometimes be large, and hence the whole capital may be swept away. It is true, that while it avoids losses, the shareholders will receive large dividends, but these large profits had much better be left in the bank as an addition to its capital, than shared among the proprietors in the form of dividends. There is danger, too, that the high premium on those shares may induce many shareholders to sell out and form other, and perhaps rival, establishments.

On the other hand, there is an evil in a bank having too large a capital. In this case, as the capital cannot be employed in the business, the directors are under the temptation of investing it in dead or hazardous securities for the sake of obtaining a higher rate of interest; perhaps, too, they may speculate in the funds, and sustain loss. Hence it is much better that a bank should commence business with a small capital, and increase the amount as the business may require.

It is difficult to state in all cases what proportion a capital ought to bear to the liabilities of a bank. Perhaps the best criterion we can have is the rate of dividend, provided that dividend be paid out of the business profits of the company. When we hear of a bank paying from fifteen to twenty per cent. dividend, we may be assured that the capital is too small for the business. The liabilities of the bank, either in notes or deposits, must far exceed the amount of its capital. As a general maxim, the greater the capital the less the dividend. Let the whole capital be employed at any given rate of interest, say three per cent., then the capital raised by notes or deposit, produce, after paying all expenses, a certain sum as profit. Now, it is evident that if this amount of profit be distributed over a large capital, it will yield a less rate per cent. than when distributed over a small capital. Sometimes, however, a large capital may have increased the rate of dividend, in consequence of having been the means of acquiring a large increase of business. It may have done this in consequence of inspiring the public with confidence in the bank, and thus inducing them to make lodgments or circulate its notes; or it may have enabled the bank to make large advances, and thus gained the support of wealthy and influential customers.

Although the proportion which the capital of a bank should bear to its liabilities may vary with different banks, perhaps we should not go far astray in saying it should never be less than one third of its liabilities. I would exclude, however, from this comparison all liabilities except those arising from notes and deposits. If the notes and deposits together amount to more than three times the amount of the paid-up capital, the bank should call up more capital. It may be said, that the bank is liable also for its drafts upon its London agents, and for the payment of those

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bills which it has indorsed and reissued: admitted; but in both these cases the public have other securities besides that of the bank.

Presuming that banks are to commence with a moderate amount of capital, and to increase that amount as the business increases, the question is suggested, what is the best way of increasing the capital? The English banks have followed two ways of doing this; one, by a further issue of shares; and the other, by further calls upon the existing shareholders. The capital of all the joint-stock banks in England is divided into certain portions, called shares; each proprietor holds a certain number of these shares, and pays a certain sum upon them. If he wishes to transfer a portion of his capital he cannot transfer a half share or a quarter share, but must transfer a whole share, or a certain number of shares. Thus, if the capital of a bank be £ 500,000 it may be divided into 5,000 shares of £ 100 each, or 50,000 shares of £ 10 each, and a certain proportion of the amount of each share will be paid up; and this proportion is called the real or the paid-up capital. Thus, if one tenth of the above capital is paid up, then £ 50,000 will be the real or paid-up capital, and £ 500,000 will be called the nominal capital. In the chartered banks, on the other hand, there is usually no nominal capital, and the real capital is not divided into shares or portions, but any fractional sum may be transferred. The capital is then called stock. When there is no nominal capital, nor any way of increasing the amount of the real capital, this is the best way. But, in the other case, it is more convenient to have the capital divided into shares.

Some persons have objected altogether to a nominal capital; but their objections have been directed more to the misrepresentations that may attend it, than to the thing itself. They say, "a bank announces that it has a capital of £ 500,000, whereas few shares are issued, and but a small sum is paid on each share; hence people are misled, and the bank acquires a confidence which it does not deserve." The objection here is against representing the nominal capital to be paid-up capital; it does not bear upon the principle of a nominal capital. In fact, we are misled by words. What is called nominal capital, is nothing more than a further sum, which the directors have the power of calling up. If this sum had not been called capital, it would not be objected to, as it could lead to no misapprehension. But the inquiry simply is, ought the directors to have the power of calling upon the shareholders for a further amount of capital beyond that already paid up? Were they not to have the power, the bank would at its commencement probably have too large a capital, and after its business had advanced would have too small a capital. And if the bank, by any unforeseen occurrence, became involved, and should have occasion for further sums to extricate itself from its difficulties, it could not make any further call upon its shareholders, although a very small advance might prevent its utter ruin. In case of a very large capital, such as two or three millions, a nominal capital may not be necessary, as so large a sum is likely to be in all cases amply sufficient. But in banks of a second class, it will always be best to give the directors the power of making further calls upon the shareholders.

The second way of increasing the capital of a bank is, by the issue of

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new shares. The whole amount of shares to be issued is fixed in the first instance, and the bank commences as soon as a certain proportion has been issued. If the bank were not allowed to commence business until the whole of the shares were taken, a small amount would be fixed upon, and the bank would be proportionably weaker. But by beginning with a small number of shares, you have capital enough for your business, and you acquire more as you proceed. Many persons will join a bank after it is established, who would not take shares at the commencement. Some shares are therefore reserved for persons of this description; and as the shares are more valuable when the success of the undertaking is no longer doubtful, they are often given out at a premium, and always a greater degree of caution is exercised as to the persons to whom they are distributed.

Some members of the Parliamentary committee of 1836 appear to have an objection to shares of a small amount; they apprehend that these shares are taken by an inferior class of persons; and hence the body of proprietors are less respectable. But it would appear from the returns that the general effect of small shares is, that each shareholder takes a greater number. Thus in the banks of £ 100 shares, each proprietor has taken upon an average twenty-eight shares, on which he has paid the sum of £ 444. In the banks of £ 20 shares, each proprietor has taken forty-three shares, and paid £ 359. In the banks of £ 10 shares, each proprietor has taken fifty-two shares, and paid £ 400. While in the only bank of £ 5 shares, each proprietor has taken 117 shares, and paid £ 585. It appears to me that the chief objection to which small shares are liable is, that they do not admit of a large amount of nominal capital. The banks of £ 5 and £ 10 shares have usually the whole capital paid up; and hence, in case of necessity, the directors have no power to call for a further amount. Could the Northern and Central Bank have made a call upon their shareholders of £ 5 per share, this bank might have been saved from destruction.

According to the new act above referred to, no bank can now be formed with a less capital than £ 100,000; and the shares must not be less than £ 100; of which 10 per cent. must be paid up before the signing of the deed of settlement; and all the shares must have been subscribed for, and half the amount paid up, before the bank commences business.

II. Joint-stock banks are governed by a board of directors.

"The directors are chosen from among the shareholders at a general meeting; the pecuniary qualification being that they hold a stipulated number of shares in the company.

"There are several points of view in which a man becomes eligible as a director of a bank, independent of his qualification as the holder of the required number of shares. Indeed, his qualification as a shareholder merely must not be taken into the account.

"1. He ought, in the first place, to be a man enjoying public confidence. Unless he is a man whom the community contemplate as deserving of their confidence and esteem, it is not presumable he can be of much service to the bank, either by his influence or character. The

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public are not likely to deposit their money in an establishment where they cannot place the fullest reliance upon the directors; and, for the same reason, parties of respectability will not readily be induced to open accounts with the bank.

"2. He ought to be a man possessing a knowledge of commercial business. It is a matter of great importance to the satisfactory and efficient management of a bank, that those to whom is intrusted the direction of its affairs, be in some measure conversant with the ordinary affairs of trade. Men who are retired from business are unquestionably the most eligible, not merely from their business knowledge, but because they are not apt to be contemplated with that suspicion, jealousy, and distrust which tradesmen will sometimes exercise towards such directors of a bank as are likewise engaged in trade. But retired men of business are not readily to be had as directors of a bank, nor are they in most cases disposed to accept of such an office. Where such is the case, men of high standing and character, engaged in trade, should be sought for.

"3. A bank director should be a man of strict integrity and uprightness. This is a qualification perfectly indispensable to the welfare of the bank. He must be above all trafficking in the stock of the company, or taking any undue advantage over the other shareholders through his intimate knowledge of the state of their affairs as regards the bank. He must never for a moment forget, that while he is a partner in the concern, and, as an honest man, is bound to conduct it in as faithful and diligent a manner as he would his own private affairs, that he is at the same time appointed to a solemn trust, in having the interests of numerous others, equally interested with himself, under his mangement and control. In fact, unless the director of a bank is a man of strict integrity, he is placed in a position calculated to be productive of great mischief. He is invested with power to ruin the fortunes of others, and to inflict much commercial evil upon the community. Where there is a want of integrity, there is a want of principle, and the bank must necessarily be mismanaged.

"4. A bank director should be a man of influence and respectability. He ought to be a man well known and respected in the district. Such a man is desirable in a variety of ways. He adds his own personal respectability to the establishment, and he influences the favor and support of his friends and acquaintances. His standing in society gives the public confidence in the establishment with which he is connected, and they bring their money and business to its support; the paper of the bank becomes more readily current in the district, and the weight of his influence destroys any suspicion of its stability.

"5. A bank director should be in good pecuniary circumstances. It would be a most wholesome regulation, were it stipulated in all deeds of settlement, that no bank director should be privileged to overdraw his account. The great facilities which directors enjoyed of raising money from overdrawing their bank accounts, have, in some instances, resulted in extensive commercial disasters, and in the total wreck of large establishments. The temptation to speculations of all descriptions which such facilities hold out, necessarily increases the risk of the bank, and induces

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a less rigid inspection of the accommodation afforded to other customers. Where those who are intrusted with the management of the bank forget the extent and importance of the trust reposed in them, and begin to enter into unwarrantable speculations with the funds committed to their care, it is not supposable that they will be particularly scrupulous as to the general management of the affairs of others.

"6. A bank director should be one who can bestow some attention upon the affairs of the establishment. It has appeared in evidence that gentlemen have been appointed, and have accepted the office of directors of banks, who gave little or no attention to the affairs; who, in fact, appear to have considered that the office of director was conferred on and accepted by them more for the purpose of complying with the letter of the deed of settlement, which enjoined the appointment of a certain number of directors, than from any idea of their being expected, or of its being necessary for them, to know any thing regarding the management. The consequence of this has been, that the duties which the shareholders devolved upon, perhaps, six individuals, were confined to two, or possibly only one, and the others approving, without suitable knowledge or proper inquiry, of all their acts, the mass of shareholders, as well as an extensive commercial circle, have been involved in the disastrous results of mismanagement. It is altogether an anomaly that any man, or body of men, should have the credit, honor, and distinction of being managers and directors of a bank, and yet not exercise any of the active functions and important duties that relate thereto. Upon what principle can they undertake, as by accepting the office they unquestionably do, to discharge a solemn trust, in faithfully administering the affairs of a bank, into which they make it no part of their business to look? Were the fact not very well known, it would seem absurd; yet it is not the less absurd that it is known." (*Philosophy of Joint-Stock Banking*, by G. M. Bell.)

Mr. Taylor, in his "*Statesman*," makes the following observations upon the *age* of members of public boards: —

"Boards, or other coöperative bodies, should be so formed that youthfulness and elderliness may meet in due proportion in their counsels. If any such body be wholly composed of elderly men, it will commonly be found to be ineffective, so far as invention of new courses and intrepidity of purpose are required, and, perhaps, also unequal to any unusual amount of spontaneous activity. If, on the other hand, it be composed wholly of young men, its operations will probably be wanting in circumspection; and the foresight by which it will be guided will be too keenly directed to the objects of a sanguine expectation, too dully to prospects of evil and counteraction. The respective positions in life of the young and the old operate to these results not less than their temperaments; for the young have their way to make, their reputation to earn, and it is for their interest to be enterprising, as well as in their nature; the old have ascertained their place in life, and they have, perhaps, a reputation to lose."

The new act requires that provision shall be made in the deed of partnership "for the retirement of at least one fourth of the directors yearly, and for preventing the reëlection of the retiring directors for at least twelve months."

III. Joint-stock banks have a principal officer, called a manager.

"The prudent and satisfactory management of a joint-stock bank very materially depends upon the upright and consistent discharge of those so-

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cial duties and reciprocal interchanges of confidence which ought to characterize the directors and manager.

"The manager, from his experience, and the importance of the office he fills, is entitled to the kind consideration and entire confidence of the directors. He is selected by them to occupy an arduous and highly responsible situation, and ought to be rewarded, not merely with an adequate pecuniary remuneration, but with the respect and friendship of the directors, by whom he should be considered in every respect, so far as regards the bank, at least upon an equally elevated footing. Without the confidence and friendship of the directors, he can neither take his place at their meetings free from restraint, discuss with them matters relating to the welfare of the establishment with composure, nor appear before the customers with that satisfaction and independence which is required to the proper discharge of his duties. Having placed him in the position of manager of the bank, it is their duty always to contemplate him in that light, to respect and confide in his opinions and conduct, which in many cases have been formed by long years of active and arduous employment in the profession; and to speak well of him among their friends and acquaintances. In the degree in which the manager is respected, and well spoken of by the directors, will respect and confidence be extended to him, and consequently to the establishment, by the public, and a good opinion entertained of their judgment and discernment in his selection.

"The conduct of the manager ought to be characterized by great circumspection and uprightness. He ought, unquestionably, in every instance, to be chosen for his business qualifications, and not because he is a rich man, a gentleman, a man of fashion, or a man with an extensive circle of friends. To choose him on account of any one of these qualifications, and not principally from his practical experience of banking, would be similar to appointing a man to the care and management of a steam-engine, who knew nothing of its mechanism, nor the nature of its operation, but was recommended solely because he had a taste for travelling; or it would be like placing a man at the helm to pilot a vessel over quicksands, and through a reef of rocks, who knew nothing of a seafaring life, but was fond of contemplating the grandeur of the elements. The manager of a joint-stock bank ought to be chosen exclusively for his experience in banking; other qualifications are well enough in their own place, but ought never to be taken into consideration in choosing a person to act as manager of a bank. In this way a stimulus is given to persons of talent, who may be looking forward to the reward of a life of toil and drudgery; and thus merit is patronized and protected. In a well-regulated office no one will be promoted over the head of another, but a prudent selection being made at the outset, a system of regular promotion should be uniformly practised.

"The manager of a bank may be contemplated in three important points, — in his intercourse with the customers and the public; with the directors; and with the subordinate officers of a bank. In each of these departments he has important duties to perform. He must be scrupulously diligent in his attention to the affairs of the bank, courteous in his interviews with the public, affable and unreserved in his communications with

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the directors, and kind and conciliating towards the subordinates of the bank, treating them as those who may be one day placed in a similar situation with himself. The days are now gone past when a man of business was considered in the light of a machine, a mere automaton for the purpose of forming figures and casting up accounts; but it is still necessary, enlarged as our views of the powers and capabilities of the human mind are, in order to the proper management of any business, that it be carefully attended to. The manager of a joint-stock bank, being allowed a competent salary, cannot be justified in occupying his time with any other employment which may occasion his absence from the duties of the bank. But it is not intended to insinuate that he must be a man of one idea, and restrained from turning his mental acquirements to his own amusement or profit. This would be as absurd as it would be unreasonable. Nor is it meant that a man of business may not be also a man of great erudition, and, it may happen, of literary and scientific eminence. On the contrary, it cannot be denied that, in the present day, this is often the case. What is contended for is, that the bank is entitled to, and ought to have, his close and chief attention.

"As it is obvious that he cannot manage any other trade or profession, without sacrificing or delegating more or less the duties he owes to the bank, it seems also very doubtful whether he can be justified in taking a prominent part in public or political affairs. There are two arguments against his being a public character: the first is, that he may be drawn away during the hours of business; the second, that, by becoming a partisan, he is certain of being more or less obnoxious to a portion of the inhabitants, and, it may be, of the bank's customers. A man whose mind is occupied in framing political speeches, in promoting political schemes, and whose time is partially given to political, magisterial, or other meetings, cannot possibly, from the exciting nature of such subjects, give that cool, deliberate, and uniform attention to the duties of the bank which they necessarily require.

"The customers ought always to be treated with civility and kindness, their business transacted promptly and cheerfully, and every inquiry regarding their accounts, or any matter of business, readily and satisfactorily explained. When an accommodation is to be declined, it ought to be done in as polite and inoffensive a manner as possible, the manner of a refusal being of paramount moment to the character of a manager.

"The shareholders, being, in other words, the proprietors of the bank, are to be received with that freedom and confidence which is due to their character as such, but without compromising or revealing to them either the business and accounts of each other, or of the customers of the bank.

"Next to being secret and cautious, a manager ought to be prompt and decided in all his measures, free from party influence, and firm in his purpose. A habit of promptitude and decision is very essential to the proper regulation of the business of a bank, and acquired by forethought and circumspection. It is, perhaps, a constitutional virtue which cannot be enjoyed by every one in the same degree, but it is nevertheless a virtue which every one may acquire by proper attention. Nothing makes a manager look more silly and contemptible than a hesitating, dubious, and

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capricious manner. His answer ought to be prompt and satisfactory; he should be sufficiently acquainted with business to say at once whether an act can be done or not, and should appear free from restraint, and not disposed to alter an opinion when once formed." (Bell's *Philosophy of Joint-Stock Banking.*)

IV. In joint-stock banks the administrative functions are usually distributed between the directors and the manager.

With reference to both private and joint-stock banks, the distribution of the administrative functions is a most important topic of inquiry. By what parties ought these functions to be exercised? We have spoken of "the banker," as though a bank consisted of only one person, and this one person administered all the powers and functions of the bank. But few banks consist of only one person. One class of banks consists of two, three, four, five, or six persons, some or all of whom attend to the practical administration of the bank. Another class of banks consists of a great many, it may be of several hundred persons, who appoint some dozen or score of their own number to administer the bank on their behalf.

But how many soever the number of partners may be in a bank, the administrative functions are in fact practically exercised by a small number of persons. A private bank may consist of as many as six partners, but it is rarely, we believe, that so many as six are actually engaged in the business. When more than one are thus employed, their duties may be distributed according to their seniority or other circumstances. In ordinary matters there may be a division of labor, and each partner may preside over a distinct department of the business. But in all important cases there is usually one leading partner who practically guides the others. When a bank has risen speedily to eminence, it has generally been through the talents of some one man. It does not follow that this one man did not receive great assistance from the advice or suggestions of his partners. It is the part of a wise man to avail himself of the knowledge and wisdom of others; and he will often gather much useful information from men far below himself in general talents. There is, perhaps, more uniformity, consistency, and energy in the proceedings of a bank managed by a few partners, than by many. On the other hand, banks have sometimes been ruined by placing too much power in the hands of one or two of the partners.

In a joint-stock bank, though the number of directors may be large, the daily exercise of the administrative power is practically in the hands of a few persons. In some banks this power is vested solely in the manager; sometimes in one or two managing directors; sometimes in a permanent committee of two directors and the manager; and in other cases, in a changeable committee, on which each member of the board takes his rota of service for two or three weeks in succession. In all cases, however, the board of directors lay down the general principles on which the bank is to be administered; reports are made to them at their weekly meeting, of the actual condition of the bank in all its departments, and all very important matters are reserved for their special consideration.

V. Some joint-stock banks have many branches.

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When the law existed in England that no bank should have more than six partners, the branch system scarcely existed. In some cases, a bank had a branch or two a few miles distant, but no instance occurred of a bank extending itself throughout a county or a district. But with joint-stock banking arose the branch system; the head office was placed in the county town, and branches were opened in the principal towns and villages around. The credit of the bank being firmly established, its notes circulated freely throughout the whole district. The chief advantages of this system are the following: —

There is greater security to the public. The security of the whole bank is attached to the transactions of every branch; hence there is greater safety to the public than could be afforded by a number of separate private banks, or even so many independent joint-stock banks. These banks could have but a small number of partners, the paid-up capital and the private property of the partners must be comparatively small; hence the holder of a note issued by one of the independent joint-stock banks could have a claim only on that bank: but if that bank, instead of being independent, were a branch of a large establishment, the holder of a note would have the security of that large establishment; hence the branch system unites together a greater number of persons, and affords a more ample guarantee.

The branch system provides greater facilities for the transmission of money. The sending of money from one town to another is greatly facilitated, if a branch of the same bank be established in each of those towns, for all the branches grant letters of credit upon each other. Otherwise you have to ask the banker in the town from which the money is sent, to give you a bill upon London, which is transmitted by post; or you request him to advise his London agent to pay the money to the London agent of the banker who resides in the town to which the money is remitted. This takes up more time, and is attended with more expense. A facility of transmitting money between two places usually facilitates the trade between those places.

The branch system extends the benefits of banking to small places where independent banks could not be supported An independent bank must have an independent board of directors, who in most cases will be better paid; the manager must have a higher salary, because he has a heavier responsibility, and a large amount of cash must be kept unemployed in the till, because there is no neighbouring resource in case of a run. There must be a paid-up capital, upon which good dividends are expected; a large proportion of the funds must be invested in exchequer bills, or other government securities, at a low interest, in order that the bank may be prepared to meet sudden calls; and the charge for agencies will also be more. On the other hand, a branch has seldom need of a board of directors, one or two being quite sufficient; the manager is not so well paid; there is no necessity for a large sum in the till, because, in case of necessity, the branch has recourse to the head office, or to the neighbouring branches; nor is a large portion of its funds invested in government securities that yield but little interest, as the head office takes charge of this, and can manage it at a less proportional expense. Besides,

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at some branches the manager attends only on market days, or once or twice a week. The business done on those days would not bear the expense of an independent establishment.

The branch system provides the means of a due distribution of capital. Some banks raise more capital than they can employ; that is, their notes and deposits amount to more than their loans and discounts. Others employ more capital than they raise, that is, their loans and discounts amount to more than their notes and deposits. Banks that have a surplus capital usually send it to London to be employed by the bill-brokers. The banks that want capital must either restrict their business, or send their bills to London to be re-discounted. Now, if two banks, one having too much, and the other too little capital, be situated in the same county, they will have no direct intercourse, and will consequently be of no assistance to each other: but if a district bank be established, and these two banks become branches, then the surplus capital of one branch will be sent to be employed at the other; thus the whole wealth of the district is employed within the district, and the practice of re-discounting bills in London will be proportionably diminished.

This work was first published more than twenty years ago, and, since then, has gone through four editions, the last being in 1836. The author informs us that in 1847 a new edition was in preparation, but in consequence of the pressure which then took place, and the Parliamentary committees which were appointed to inquire into the distress, he deferred the publication until he had made himself acquainted with the evidence taken on that occasion, so that he might embody his reflections thereupon in the forthcoming edition.

Of the fifth edition of a book so well known in the commercial world as "Gilbart's Treatise on Banking," we need say little beyond announcing its appearance. It has the advantage of a dozen additional years of experience, on the part of the author, in banking and monetary matters, and as a consequence, the bulk of the matter is increased. An elaborate index also materially improves the convenience of the book for purposes of reference." — *London Bankers' Magazine.*

Sub-Treasury. — It may be a matter of interest to some of our readers to know that the Assistant-Treasurer here, unlike most cashiers, construes all drafts, or powers of attorney, *literally*. Thus, if a holder of United States stock makes his interest money payable to "John Smith, Cashier of the World's Bank," and the said John Smith is dead, or has gone to Europe for his health, the signature of the President of the bank is rejected, and the money must remain unpaid until a new order is received. It would appear in this case as if, the bank being the agent, the common custom of accepting the signature of any of its officers might be safely recognized. — *New York Journal of Commerce.*

New Banks in New York. — This city has had need, for some years past, of an increased banking capital; although the business and population have augmented immensely, the banking capital has not kept pace with it. Capitalists are now engaged in organizing several new institutions. Among them we perceive the Bank of the Republic, worth a capital of one million of dollars, under the Presidency of Mr. G. B. Lamar. Mr. Vale, of the Bank of Commerce, is to be the Cashier. The Chatham Bank is nearly organized, and will soon open its doors for business, under the Presidency of Elias G. Drake, with Mr. A. B. Hays as Cashier. Capital $300,000. There are some other banks organizing in the upper parts of the city, for the accommodation of the business public in those vicinities. — *New York Express.*

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THE GOLD MINES OF CALIFORNIA.

From the New York Journal of Commerce, November, 1850.

CALIFORNIA. — Despite the glowing accounts of successful operations in the mining regions, with which California papers are wont to test the credulity of distant readers, we incline to doubt whether the aggregate amount of gold produced during the present season will greatly exceed last year's yield, — notwithstanding the vast increase in the number of miners, and the greatly enlarged field of labor opened by extensive explorations during the past twelve months. Certain it is, that the quantity received here has been by no means commensurate with what the reports from that quarter have induced us to expect; and when we take into account the vast amount of property exported thither for sale, and carried thither for their own use by emigrants, and the diminution in our own productions, by reason of the departure from our midst of a large and valuable laboring population; it would appear that a considerable amount must yet be forwarded before we can look with much complacency upon our pecuniary connection with the new State, whatever ground for congratulation there may be in the political relations growing out of its admission. For our own part, we are strongly inclined to believe that the continual rumors of rapid fortunes acquired by digging are in most cases sheer fabrications, devised by crafty men, for the sole purpose of inducing emigration, and of advancing the interests of speculators. But supposing such rumors to be founded on fact, they afford no criterion by which to judge of general or average success, for the very simple reason that only instances of extraordinary good luck are chronicled, while the thousand disappointments and misfortunes, hardships and privations, which a majority of the miners of necessity undergo, are entirely overlooked, if not sedulously concealed. For every single account of successful labor in the mines, a thousand tales of disappointment, destitution, perhaps even death, might be told. The fact is, the first flush of success is over. The surface deposits are wellnigh exhausted, and the throngs of eager adventurers, who expected to find in the cities of California "streets paved with pure gold," are compelled to dig long and vigorously in the wildest and most secluded districts, ere they receive even the scantiest remuneration for their toil. Individual exertions will soon be of no avail. It is only by extensive operations, conducted through the agency of combined capital and associated enterprise, that the mines of California can be profitably worked. Even then the business is hazardous, and months of toil are not unfrequently expended in turning the course of a supposed Pactolus, whose hidden depths are in reality as barren of gold as the exhalations which rise from them are fertile in disease. The whole mining country is occupied by a crowded population, whose number is constantly increased by fresh accessions from the cities and the plains; a population destitute of all the ordinary comforts of life, continually exposed to the most demoralizing influences, and to the insidious attacks of disease which no precaution

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can avail to avert. The apparent inequality in the proceeds of labor, or, in other words, the mere chance which seems to determine failure or success, tends to excite and encourage in this population an unsettled, adventurous, gambling spirit; and accordingly we find them purchasing for enormous prices claims which are unsupported even by possession, and which, if allowed, prove utterly worthless except for purposes of subsequent speculation. It is thus that fortunes are made in a day, and thus too that they are as quickly lost. There is no dependence on regular, steady, legitimate employment for subsistence. Life is a game of chance, and there is everywhere prevalent, throughout California, an indifference to the result of that game, as lamentable as it is surprising.

Letters from remote sections of the country, and from the sturdy hands that oftener wield the shovel than the pen, are full of statements like these. They represent that gold is scarce; that the mines are crowded; that every available placer is claimed and occupied; and that everywhere "claims" are contested with an earnestness which threatens a settlement by means of a rifle, where it cannot be procured to the satisfaction of the parties interested through the arbitrary decision of a self-constituted court. Such, for a long time, has been the tenor of our own "mining correspondence"; and the accounts of returned Californians, who have no interest whatever in misrepresenting the character of the country and the condition of its inhabitants, coincide exactly with the representations thus made by persons still upon the scene of action, and who but for the corroborating testimony thus afforded might be suspected of sinister motives in decrying a country, which, despite its hardships and privations, has still the power of retaining them in its midst.

Notwithstanding these disheartening circumstances, which, we fear, are but little known, and even less regarded, the tide of emigration is still setting towards the Pacific coast with as much force as formerly. The plains are still thronged with companies of pioneers from the West, impelled to encounter the dangers of an almost interminable journey overland, and through regions of perpetual desolation, by the distant prospect of the same golden mountains, which allure the residents of our Eastern cities to embark themselves and their fortunes on the ocean, regardless of all the "terrors of the deep." One has but to station himself on our piers from week to week, as the ocean steamers for Chagres take their departure hence, to assure himself of the numbers in which this latter class are hastening to the land of gold; and the spectator of scenes thus presented must needs be possessed of strong nerves and a phlegmatic temperament, if he be not affected to sadness by the probable fate of those whose anticipations are so highly wrought.

While, however, we commiserate the misfortunes of early settlers in this new country, and sympathize with them in the disappointments to which as gold hunters they must necessarily be subjected, we have strong confidence in their ultimate capacity to establish a commonwealth, whose influence upon the world shall surpass that of any single state or nation that has ever existed since the world began. The very scarcity of gold will tend to divert from the business of mining a vast amount of labor, that with far greater profit might be bestowed upon other avoca-

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tions. The population of California cannot afford to remain idle; and if labor at the mines prove unproductive, the shovels that have hitherto been delving in river-beds will hereafter be employed in turning up the soil for purposes of agriculture. The pick will give place to the plough, the cradle to the flail, and from the fertile fields now rich with a vegetation too luxuriant and beautiful for an inhabitant of our Eastern States to conceive of, will be reaped a harvest that in its extent and variety shall rival the productions of the whole Atlantic shore. For in California there are all climates and all soils. The extent of the country from north to south is alone sufficient to afford scope for considerable diversity of climate, while the alternate elevations and depressions in the surface present even in close contiguity the utmost extremes of heat and cold. There can be no doubt that corn and the finer grains can be grown in abundance throughout the uplands; and our Southern friends are of opinion that in some sections at least there is a fair opening for the successful cultivation of those crops which have hitherto been confined exclusively to their plantations. As a grazing country, too, California has much to boast of. There were "cattle on a thousand hills" within her borders, long before the first panful of glittering earth was dug from her streams; and from the "golden gates," as they are now designated, many a merchantman was wont to sail freighted with a cargo of California hides, scarcely less valuable to their owners than the precious ores which have since been exported thence.

But it is in a commercial point of view that the future prosperity of the youthful State is most readily seen. Her geographical position entitles her to the whole trade of "the East"; a trade that for ages has enriched the wealthiest and most powerful nations of the earth; and to the importance of which, centuries ago, the discovery of this western continent was directly owing. The "isles of the sea," with all their multifarious productions, are within her grasp. She has but to reach forth to them, and they are hers. The most populous and most productive country in the world is her immediate neighbour, and the streets of her cities are already familiar with the footsteps of wooden-shod China-men. The wealth of Southern Asia, that for centuries has been pouring into Europe through long and devious channels, will flow directly to her ports, thence to be distributed — by no circuitous routes around stormy southern capes — far and wide, all over the civilized world, wherever the wants of men, multiplied by the very facilities for their supply, can afford a profitable market. Japan, from whose ports commerce has been hitherto so jealously excluded, will no longer be able to resist the impetus given to trade by the establishment of a flourishing commercial nation on the Pacific coast. The awkward and ill-constructed junks, both of China and Japan, will ride at anchor in the bays of the Eastern Pacific; nor will they delay even there. The long-talked of ship canal between the two oceans will give them ready and easy access to Atlantic ports; and through that canal too, built at length at her instance, and through her instrumentality, will the treasures of California find their way to the Eastern world. If the discovery of California gold were to produce no other result than the opening of this national highway, so

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fraught with advantage to all the interests of civilization and Christianity, it would still deserve to be regarded as one of the most important epochs in the world's history: nay, as one of the greatest blessings, — for despite the suffering and distress, and demoralization, directly owing thereto, despite the evils which inevitably and proverbially attach to the "accursed thirst for wealth," stimulated by every fresh accession to the modes of its production, — the benefits which this enterprise is destined to secure to the human race are so immense and so inestimable, as to make evils like these seem comparatively insignificant. Out of weakness will come forth strength, out of the bitter will come forth sweetness.

THE SCARCITY OF SILVER.

From the London Times, Nov. 26, 1850.

A SINGULAR rise which has been going on for some time in the price of silver has created much inquiry. The idea that it may be owing to the influx of California gold naturally occurs to every one, and gives the subject its chief interest. In ordinary times the question might be easily settled; but, from the peculiar state of the Continent, together with the change recently made in the Dutch currency, a definite conclusion at present is rendered impossible.

The three causes now in operation, namely, the California influx, the requirements for the pay and maintenance of the German armies, and the substitution of silver for gold in Holland, have come into active operation almost simultaneously. They all have the same tendency; and the task, therefore, simply is, to discover the proportionate influence of each. For this, however, the materials are wanting. We do not know with certainty the total increase which has taken place in the supply of gold, or, as regards silver, the quantity absorbed in Germany, or on the Continent generally, either by the armies, or from hoarding, or other causes; and, even if this information were before us, we should still be ignorant of the total stock of bullion in the world, upon the amount of which alone could any accurate calculations be founded.

Although, however, we must thus wait until some of the perplexing elements of the question shall have been removed, — for if the war mania were to terminate, and the effect of the Dutch legislation had passed away, we should then have no difficulty in looking to California for its solution, — there are many considerations that may, even now, throw some light upon the matter, and which may be usefully borne in mind in watching the future.

We have remarked that all the influences now existing operate in one way. The only direct mode in which any effect from the Californian gold could first be observed, would be by looking at the relative price of silver. We must measure the state of the market for gold by the purchasing power of that metal; and silver is the best commodity where-

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with to test this purchasing power, as it is less liable to fluctuation than any other. In proportion, therefore, as the supply of gold increases, silver will steadily become dearer, — that is to say, a £5 note representing a certain weight of gold will buy less silver than previously. At the same time, the purchases of silver by Germany and Holland must, of course, have a similar effect. They are made by means either of gold coin transmitted to us direct, or of gold due from us for credits allowed or shipments received; our merchants, in the latter case, being instructed, instead of sending the gold that is owing, to send as much silver as it will procure.

In the combined action thus going forward, enough is consequently presented to remove all surprise that remarkable results should already have been observed. There are, however, some minor circumstances to be noticed which modify these general operations, although, as it is impossible to estimate their aggregate bearing, it cannot be ascertained whether, on the whole, they have tended to mitigate or to increase the change that has been in progress. Among these, on the one hand, is the demand for silver in California, and on the other, the alleged increase of production in the silver mines of South America, the extensive issue of small paper currency, by which silver has been displaced in Austria, and finally, a gradual displacement of silver by gold, which is observable in the United States.

Supposing it to be a question whether the effect of the demand for silver in Germany has not been counteracted to a very great extent by the issue of Austrian paper, and also if the supplies of silver required at San Francisco have not been met by the more abundant yield of the South American mines, we should then be driven to attribute the late rise in this country mainly to the Dutch operations or to California, or to both. The step adopted by Holland, of calling in her five and ten guilder pieces, took place on the 22d of June, and the amount of gold disengaged by it has been about four millions sterling. As yet, however, not more than about £500,000 is believed to have been replaced by silver, the remainder being represented by notes, which will continue in circulation until the requisite amount of silver can be obtained. Whether this, or the possible fact that £10,000,000 of gold (being nearly double the total estimated annual yield of all the South American mines in 1840) has been suddenly added to the stock of bullion in the world, which some have conjectured not to exceed £330,000,000 in all, and of which gold constitutes by far the smallest proportion, may have had the greatest force, is a point which must be left for speculation.

But, whatever view may be adopted by each individual as to the influence which has been predominant in producing the effect that has occurred, there can be no question that that effect has been of a most decided and important character. At this period last year the price of silver was 4*s*. 11½*d*. per ounce, and it is now 5*s*. 1¼*d*., the rise being within a fraction of three per cent.; a difference which (apart from other considerations) is considerable, as affecting the seignorage on our own silver coinage. This coinage is based on the forming of 66*s*. out of every pound weight of standard silver, leaving a gross profit to the government,

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when silver was at its usual price of 4*s.* 11½*d.* per ounce, of nearly 11 per cent., and which profit is now reduced to about 7¾ per cent. In France the premium on gold has fallen within the same period from 13½ per mille, to 2¾ per mille; so that it is now reduced to only about ¼ per cent. Should any further important decline take place, the silver coins of that country will then gradually be displaced by gold; for they will intrinsically be worth more than their nominal value. Again, in the United States the same effect is observable. Last year the half-dollar silver coinage was at par. It is now quoted 2¼ premium. This will cause silver to be exported, and its place to be supplied by an increased coinage of gold dollars, half-eagles, and eagles.

At the same time it is to be remarked, that in proportion as silver thus comes to be displaced by gold in countries where it has hitherto been in extensive circulation, its further relative rise will be checked, because its uses, and the consequent demand for it, will be diminished. A decrease in the intrinsic value of each metal may then be looked for, although not in equal proportions; and the only way in which it will be possible that this fall can be traced thereafter will be by ascertaining from time to time the general exchangeable relation between them and other commodities, so as to compare the purchasing power of both with what it was at former periods.

From the London Times, November 29.

It is understood that during the past fortnight the *Seehandlung*, government commercial establishment at Berlin, have obtained from Hamburgh three million marks in silver (about £230,000 sterling), to be coined into Prussian dollars for the supply of the army. This circumstance may account for the recent rise in the rate of discount in Hamburgh, which is now quoted at four per cent.

The mercantile accounts from Vienna of the 23d instant describe an aggravation of the extraordinary panic which had taken place in the money market. A further rise of between three and four per cent. had occurred in the quotations for specie, gold having gone up to 42, and silver to 36 premium. The fact that the government had entered the market as purchasers of specie was the cause of this sudden increase of alarm, and it was scarcely possible to induce the holders of goods to name any price whatever for transactions. It is said that, during the whole period of the Hungarian war, nothing like the same excitement or anxiety had been observable.

Silver Change — The scarcity of silver change is daily becoming more and more annoying to our business men; the banks are robbed in every possible way of their halves and quarters, and persons are now engaged collecting dimes and half-dimes from all sources, for the sake of the premium. Various remedies have been proposed by our shrewdest financiers to obviate this difficulty, among the most prominent of which is the creation of a currency of small coins, which shall have a *current* value above their intrinsic worth, and thus be retained in the country. — *New York Journal of Commerce.*

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THE RELATIVE VALUE OF GOLD AND SILVER.

From the London Economist, January, 1851.

I. Production of Gold and Silver, 1840, 1848, 1850. Proportion of Gold to Silver. II. Supplies from Russia. Bank of Hamburgh. III. The Bank of France. Gold and Silver both Legal Tender in France. Sale by Russia of £5,000,000 in Gold at London and Paris. Relative Supplies may fluctuate without affecting Relative Values. IV. Policy of the Bank of England. Cause of the Rise in Silver in England Gold Panic in Hamburgh. Fall of Continental Exchange in England. V. Permanent Change in Relative Values, probable. VI. The Relative Value of Gold and Silver. VII. Will the Production of Gold continue at its Present Rate? VIII. Will the Production of Silver not also greatly increase?

In our last number we instituted an inquiry into the comparative production of the precious metals at different periods since the beginning of the present century, from which it appeared that in 1840 the production was £8,142,274; in 1848, prior to the discovery of California, £11,027,237 (the whole increase having arisen in Russia); and in 1850, £21,800,000, of which no less than £10,000,000 was contributed from an entire new source, — California. But that inquiry also showed that the relative quantities of gold and silver produced at those different periods had greatly changed. At each of the dates mentioned they were as follows: —

Production of Gold and Silver.		*Gold.*	*Silver.*	*Proportion of Gold. Per cent.*	*Proportion of Silver. Per cent.*
1840, . . .	£8,142,274	£1,290,000	£6,852,274	15.840	84.160
1848, . . .	11,027,237	4,160,000	6,867,237	37.730	62.270
1850, . . .	21,800,000	14,190,000	7,610,000	65.000	35.000

Here, then, we have two very important facts established: — 1. An enormous increase in the quantity of the precious metals produced. 2. A very great increase in the proportion of gold to silver. Compared with 1840, the annual produce of the mines in 1850 had increased more than 150 per cent., and even within the last two years the increase has been nearly 100 per cent. And whereas gold represented barely 16 per cent. of the whole quantity in 1840, in 1848 it represented nearly 38 per cent., and in 1850 no less than 65 per cent.

2. This change in the relative proportions of the two metals has been caused entirely by the combined effects of Russia and California. The supplies of gold from Russia had already become large in 1840, and increased rapidly in every year up to 1848; while the supplies of silver remained nearly stationary; but without producing any perceptible difference in the relative values of the two metals. It must, however, be borne in mind, that, so long as opinion remained unaltered with regard to their relative values, a very great change might take place in the actual quantities held in stock without affecting their relative values, owing to the peculiar purposes for which gold and silver are used. One of the chief of those uses is the large reserves held throughout Europe, in particular by the great banks of each country. With the exception of the Bank of Hamburgh, where, we believe, the entire deposit has always been kept in silver, the two metals have been used almost indiscrimi-

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nately for that purpose. For example, even the Bank of England, though bound to pay all her liabilities in gold, is yet authorized by the act of 1844 to hold silver in the issue department in the proportion of one fourth of the amount of gold bullion and coin held at any particular time; and in practice, until lately, the Bank of England has always held a large quantity of silver. In the year 1846 the silver in the Bank was as high at one time as £2,727,000.

3. Again, the Bank of France had even better reasons for holding either of the metals in fluctuating quantities, and receiving them indiscriminately; for though, practically, silver is the currency of France, yet gold is also a legal tender at a fixed proportion. In May, 1848, the amount of bullion held by the Bank of France and its branches was only 3,873,000*l.*; recently it has exceeded 18,000,000*l.*; and in that great increase there is no doubt gold and silver have been received indiscriminately. Again, in the Bank of Holland, where, till lately, gold and silver were a legal tender, gold had accumulated to the amount of 4,250,000*l.*, and at this moment, notwithstanding the recent change of the law, is held to the amount of 2,500,000*l.* Again, in the great Bank of St. Petersburgh, though its notes are payable only in silver, yet a large portion of the 20,000,000*l.* to 22,000,000*l.* of bullion held by that establishment has been in gold. It will be remembered that at one time, in 1847, the Russian government sold in Paris and London no less than 5,000,000*l.* of gold, and purchased public stocks. The same may be said of other public and private banks throughout Europe. So long, therefore, as gold and silver continued to be received indiscriminately by these various banks at fixed relative rates, — so long as the large reserves of bullion held from time to time were allowed to consist of varying proportions of gold and silver, — it is clear that the actual aggregate quantities of each might fluctuate very materially without producing any perceptible change in their relative values.

4. Take the Bank of England as an example. On the 12th of September, 1846, that establishment held in the issue department bullion to the amount of 15,864,960*l.*, which consisted of 13,154,883*l.* in gold, and 2,710,077*l.* in silver. At the beginning of 1850 the Bank held bullion in the issue department amounting to 16,238,310*l.* but which was composed of 15,961,233*l.* in gold and only 277,077*l.* in silver, thus showing that, while 2,433,000*l.* had been withdrawn from the Bank reserve in silver, 2,707,000*l.* had been added to it in gold; and it is obvious that similar changes in the proportions of gold and silver may have taken place throughout Europe. Yet during the whole period, and for many months afterwards, no perceptible alteration was experienced in the relative value of gold and silver, although there can be no doubt the relative quantities held of the two metals underwent a considerable change. And, indeed, it was not until the Bank of Holland, in the attempt to change her reserve of 4,250,000*l.* of gold into silver, caused so considerable a demand for the latter in exchange for the former, both in London and Paris, that silver began to rise in England, and gold began to fall on the Continent. The effect of that operation in Holland, combined with a demand for silver in Austria and Germany, coming as both did when the public mind

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was much excited with reference to California, has no doubt created a greater disturbance in the exchanges between those countries using a gold standard and those using a silver standard, and between the relative prices of the metals, than the increased supply of gold actually received in Europe would warrant. Reports to the effect that France and Belgium intended to follow the example of Holland, and to exclude gold from their currencies, tended to aggravate the alarm already excited. An eminent banker in Hamburgh writes, that in that city "on Friday last there was actually a gold panic. On that day (the 20th of December) the price of gold fell to 419¾ marks, which on the 17th had been 423 marks, and which till recently had ruled about 433 to 434 marks; and the exchange on London fell from 13 marks ⅛ s. on the 17th, to 12 marks 15¾ s. on the 20th, the rate till lately having usually been about 13 marks 9 s. to 13 marks 12 s." A very able letter from the same place, which we publish in another part of our journal, corroborates the description which we gave in a recent number of the effect of those apprehensions upon the bills of exchange on England held by Continental bankers.

5. But, however much apprehension and speculation may have contributed to the present state of the exchanges, and the relative price of the metals, we think no one can doubt, if their production is to continue at the same ratio and in the same proportion to each other as in 1850, that a considerable permanent change must take place, — 1, in the permanent relative value of the two metals; and 2, in the value of the precious metals together in their relation to other commodities. The probability and the consequences of such results we will consider separately.

THE RELATIVE VALUE OF GOLD AND SILVER.

6. Whatever doubt may exist as to whether the recent rise in the price of silver in England, expressed in gold, or fall in the price of gold on the Continent, as expressed in silver, and the consequent fall in the exchanges between England and the Continent, have been caused by the altered proportion of silver and gold already produced, and brought to market, we think there can be no doubt entertained that, if their production is to continue for any number of years the same as it has been in 1850, when not only the entire production of the metals was nearly doubled, but when gold represented 65 per cent. of the whole, a very considerable permanent change must take place in the relative price of the two metals. But then, before we come to this conclusion, we have two questions to determine. 1. Will the production of gold continue at its present rate? 2. Will the production of silver not also greatly increase?

7. In the first place, how long Russia and California will continue to supply such quantities of gold as they have done in 1850 we would not venture to predict, after all that has happened in the history of mining. But this we are bound to say: — After carefully considering all the evidence which has been furnished as to the capabilities of California, after the experience we have had of Russia for the last two years, to say nothing of the accounts which reach us so often of other new sources for the production of gold, we think there is every reason to expect, at least for

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some years to come, supplies equal at least to those of 1850. If such, then, prove to be the case, and if the quantity of silver produced shall continue as stationary as it has done of late years, then there can be little doubt that a closer approximation must take place between the two metals. Admitting these premises, some have argued against such a result, on the grounds that a larger supply of gold would lead to a more extensive use of it, — first, as a circulating medium of exchange, and for banking purposes; and, second, for the manufacture of utensils, ornaments, &c. But, so far, experience is against the supposed extension of the use of gold for banking purposes. On the contrary, its being produced in larger quantities, so as to risk the maintenance of its value, has threatened its entire rejection from some of the largest commercial countries in Europe. It has already thrown upon the market, from the Bank of Holland alone, the sum of £ 4,250,000 held in gold, of which they have succeeded in selling £ 1,750,000, leaving £ 2,500,000 yet to be disposed of, as favorable opportunities offer. As to the expected extension of the use of gold for ordinary purposes, the only reason for such a change would be its reduction of value. Such an increased consumption would no doubt modify and limit the reduction of price, but that is a condition which, to some extent, must precede the extension of its use.

8. But will the production of silver continue stationary? For it is plain that the mere increase of the production of gold will not necessarily alter the relative price of the two metals, but that such an increase in the production of silver may also take place as will maintain the relative value pretty much where it is. This we think not altogether an unlikely result. That there will be a very extensive increase in the production of silver, whatever may be the fate of gold, we have no doubt. Those who are at all acquainted with the history of Mexico and the mining countries of South America are well aware of the great influence which the price of quicksilver has exercised over the working of the mines, and the quantity of silver produced from them. California promises to furnish an unlimited supply of this material, so important in mining. A letter from Mr. Burnett, the Governor of California, has recently been published at Washington, in which he says, — "The quicksilver mine of New Almaden, within 12 miles of this place, is valued at several millions of dollars. In a few days, Mr. Forbes informs me, they will have 26 retorts in operation, and will extract 8,000 lbs. daily, worth from $ 6.000 to $ 8.000, — more than $ 2,000,000 annually. This is only one of the several mines, but it is the largest." The effect of this new supply of quicksilver is already beginning to be felt. We hear from the western coast of South America that considerable quantities have already been received there, that a great reduction of price is expected, and that already arrangements are being made both there and in Mexico to reopen many mines which have long been closed only on account of the high price of quicksilver. The great demand and the high price which have recently been experienced in Europe for silver will, no doubt, further stimulate the production. Should this view of the subject prove correct, then, while there may not be any very important change in the relative price of silver and gold, there will be a very large increase in the quantity of both, and a slow but certain reduction in their intrinsic value.

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MISCELLANEOUS.

California Gold. — It is quite obvious, that as soon as all the "placers" are occupied, and the quantity of gold diminishes, the fresh comers from the old States will in spite of all authority "foray southwards," like our mosa-troopers of old. In this case the portion of the Sierra Nevada, which still pertains by treaty to Mexico, will soon belong *de facto* to marauders from the United States. We therefore commend Mr. Buffum for having honorably suggested to his government to purchase Lower California from Mexico, and thus to legalize an occupation which sooner or later is inevitable. . . . . .

In taking leave of California we may say, that if, as we suspect, she is destined to follow, sooner or later, in the wake of other countries once auriferous, her future fortunes, far from being depressed, will, we trust, be eventually placed on a much surer basis than the irregular and fitful supplies of the most precious metal. Instead of crowding together in the few gorges watered by the affluents of the Sacramento and San Joaquin, or on the other plateaux below them where the gold has abounded, the vigorous immigrants from the old States will unquestionably derive in the end from a virgin soil, so rich in many places, a much more steady and durable wealth. As large as Italy, and occupying nearly the same latitude in the other hemisphere, the maritime region of Upper California is blessed with a climate equal if not superior to that of the Mediterranean. More lofty than the Apennines (geologically more venerable and therefore as we have shown auriferous), her Sierra Nevada is fringed with forests of gigantic pines; her plateaux now dug into by gold hunters sustain the most magnificent oaks, many of which are fast disappearing under the axe of the miner; while her fine rocky slopes and alluvial plains between the Sierra Nevada and the coast range (both now known to be metalliferous) are destined to furnish crops of wheat, grapes, and olives, such as never were to be dreamt of when the indolent Indians dawdled through life under the mild sway of the missionaries. — *London Quarterly Review, October*, 1850.

Curious Relic. — A few days since, an American opened a hole at the head of Jackass Gulch, near the Stanislaus, and, after digging some eight or nine feet, found imbedded in the slate a small coin, perfectly black. After rubbing it some time, he discovered it to be a copper coin about the size of an English shilling. On one side is the representation of the sun, and on the other an Indian, with bow and arrow in hand, shooting at a bird in a tree. The date of the coin is so much worn you can only discern three figures, — 108. The coin was purchased by Mr. Still, and sent to Dr. Radcliffe. — *Sonora (California) Herald, Sept. 15th.*

A Marysville correspondent of the *Placer Times* announces the failure of the house of Macy & Co. This house has been doing a large business, and held very considerable deposits from miners.

Fees of Bank Clerks. — It is understood that the Bank of England have taken another step in carrying out the salutary plan adopted during the past year or two, of abolishing the receipt of fees by the clerks, and that henceforth none are to be taken from the bankers or merchants who are accustomed to send in what are called dividend lists. These lists comprise the dividends to be received by the various firms on behalf of customers and clients, and two days are always appropriated for the signing of the warrants in connection with them, before the general payments are made. Much trouble is saved by the arrangement, and in consequence it has been customary for each firm availing themselves of it to give a fee ranging from half a guinea to five guineas; but the advantage to the public and to the bank is quite as great as it is to individuals, since, by lessening the confusion and pressure that would otherwise ensue on the first days of payment, it facilitates the convenience of all parties, and it has, therefore, been rightly considered that it would be inconsistent with the spirit in which a large public establishment should be conducted to permit it to continue in any way a ground of exaction. Compensation, as in the former cases, is to be awarded to the clerks, who would otherwise suffer from the change. — *London Times, November* 13, 1850.

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LIBERAL OFFER TO WRITERS. — We are authorized to announce that J. W. Gilbart, Esq., F. R. S., will present the sum of One Hundred Pounds to the author of the best Essay which shall be written in reply to the question: —

In what way can any of the articles collected at the Industrial Exhibition of 1851, be rendered especially serviceable to the interests of "Practical Banking."

These articles may be architectural models that may suggest improvements in the bank house or office, — inventions by which light, heat, and ventilation may be secured, so as to promote the health and comfort of the bank clerks, — discoveries in the fine arts, by which the interior of a bank may be decorated, or the bank furniture rendered more commodious, — improvements in writing-paper, pens, ink, account-books, scales, letter-copying machines, or other instruments used in carrying on the business, — improvements in printing and engraving by which banks may get their notes, receipts, letters of credit, and other documents of a better kind at a less expense, or so as to prevent forgery, — new inventions in the construction of locks, cash-boxes, and safes, which shall render property more secure against fire or thieves, — and generally all articles of every kind which can be so applied as to improve, cheapen, or facilitate any of the practical operations of banking.

The names of the adjudicators and other particulars will be announced in a future number of the *Bankers' Magazine — London Bankers' Magazine, Jan.*, 1851.

THE USURY LAWS. — An act of Parliament was passed towards the close of the late session to continue the act for exempting bills of exchange and promissory notes from the operation of the usury laws. The act 2d and 3d Victoria, cap. 37, which would expire at the end of the year, is now further continued until the 1st of January, 1856. In consequence of the recited act, all discounters have been permitted to charge 30, 60, and 100 per cent. for what is called "doing" bills. — *London paper.*

GOLD-BEARING QUARTZ. — We had the pleasure a day or two ago of examining a large collection of specimens of gold in the quartz rock from the vein on Carson's Creek, on the Stanislaus River. These exhibit a magnificent richness of the precious metal, surpassing all our former notions of its abundance, — showing that the representations which have been made of our quartz rock in the Atlantic States, are sustained by facts. Indeed, we begin to believe that our gold has but just begun to appear, and that the great quartz veins of the mountains are soon to be the theatre of mining operations such as the world has not yet seen.

In this vein the gold is distributed in immense masses of rock, in all degrees of richness, from minute particles to solid masses of apparently pure metal, and it seems to be in unfailing quantities. Where the end will be, none can tell. The vein of quartz is represented to extend through a hill some six hundred feet high, and cropping out on the summit in large masses, twenty feet or more in thickness, and rich with gold. At the base of the hill, six hundred feet lower in the vein, gold is also found sticking out of the rocks.

We learn that the company owning the mine intended beginning immediately the operation of crushing the rock and extracting the metal. For this purpose the best machinery is to be employed, and operated both by steam and water power, for which there are abundant facilities in the immediate vicinity. Indeed, we begin to look now for large mining operations to be commenced in an extended range of country. The discoveries made within the past few months show and convince us, that the gold and other mineral wealth of California are exhaustless. Our prosperity is but just begun. — *San Francisco Courier, Dec. 1st.*

TEXAS PUBLIC DEBT. — There is great uncertainty as to the value of Texas securities. The Legislature have not yet decided in what manner they intend to classify the debt. If the Governor's recommendation is followed, the securities will not realize their present ruling price. The Governor's plan would shut out a considerable number of claimants, as those who have registered their securities in the office of the Treasury would only be considered.

PROXY. — "There have even been autographs written by proxy. For example, Dr. Dodd penned one for Lord Chesterfield; but to oblige a stranger in this way is very dangerous, *considering how easily a few lines may be twisted into a rope.*" — *Tom Hood.*

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BANK ITEMS.

MASSACHUSETTS. — The building occupied and owned by the Cambridge Bank at Cambridgeport was partially destroyed by fire on Thursday, December 12th. The business of the bank will be temporarily removed to new quarters.

New Banks. — The Mariners' Bank at Dennis, Barnstable County, and the Rockport Bank at Rockport, were incorporated at the last session of the Legislature, each with a capital of $100,000. Neither of these has yet commenced operations.

Rockport, Essex County. — The following persons have been elected directors of the Rockport Bank: — Jabez R. Gott, Ezra Eames, William P. Burns, David Babson, Jr., George Gott, Jr., Eleazar Boynton, of Rockport; William P. Dolliver, of Gloucester; David Kimball, Nehemiah Boynton, of Boston; Thomas Pingree, of Salem.

Boston. — The Exchange Bank and the Cochituate Bank have both petitioned the present Legislature to authorize an increase of their capital stock.

Worcester. — G. F. Hartshorn, Esq., has been appointed Cashier of the Central Bank, Worcester, in place of William Dickinson, Esq., resigned.

New Banks. — There have been applications to the Legislature for three new banks since our last, viz.: —

	Capital.		*Capital.*
Faneuil Hall Bank, Boston,	$500,000	Eliot Bank, Roxbury,	$100,000
Malden Bank, Malden,	100,000		

And for increase of capital as follows: —

Lee Bank, Lee,	$50,000	Prescott Bank, Lowell,	$50,000
Eagle Bank, Boston,	250,000	Boylston Bank, Boston,	50,000
Bank of Commerce, Boston,	750,000	Mechanics' Bank, Worcester,	150,000

Northampton. — Charles White, Esq., was, on the first day of July last, elected Cashier of the Northampton Bank, Massachusetts.

MAINE. — Augustine Perkins, Esq., late of the Ticonic Bank, has been elected Cashier of the Waterville Bank, Waterville, Maine. This is a new institution, recently chartered and organized.

Waterville. — S. Percival, Esq, has been elected Cashier of the Ticonic Bank, in place of Mr. Perkins, who has removed to the Waterville Bank.

Bangor. — Two new banks have recently commenced operations at Bangor, viz.: —

1. The Exchange Bank. President, J. B. Foster, Esq.; Cashier, Edwin Clark, Esq.
2. The Merchants' Bank. President, W. A. Blake, Esq.; Cashier, M. T. Stickney, Esq.

NEW HAMPSHIRE. — The Monadnock Bank, chartered at the last session of the Legislature, will soon commence operations at East Jaffrey, with a capital of $50,000. President, John Conant; Cashier, Peter Upton.

VERMONT. — Robert Harvey, Esq., has been elected President of the Bank of Newbury, Wells River, in place of Timothy Shedd, Esq., who declined a reëlection.

NEW YORK. — W. W. Van Zandt, Esq. (formerly at the head of the Bank Department, Albany), has been elected Cashier of the Canal Bank, Lockport, of which Alfred B. Judd is President, and John P. Smith Vice-President.

New York City. — A new bank is proposed in New York, to be called "The People's Bank," to be located at the corner of Canal and Hudson Streets. Another, to be called "The Sherman Bank," is proposed for the upper part of the city.

People's Bank. — The stockholders of the People's Bank, a new institution, to be located near the corner of Hudson and Canal Streets, have elected the following Board of Directors: — P. Yelverton, Gaylord B. Hubbell, Charles Crane, John Mace, Simon Shindler, John P. Spafford, Philip J. Bonesteel, Jeremiah Terbell, David F.

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Baker, Matthias Clark, William L. Wilson, James S. Brouwer, L. H. Moore, George D. Crogin, John W. Lewis. Mr. John P. Yelverton has been elected President. He was a member of the late firm of John Stewart, Jr. & Co, and is spoken of as a gentleman worthy of this important trust. Mr. Gideon de Angelos, who for twenty-eight years was connected with the Mechanics' Bank, in this city, has been chosen Cashier. The capital stock was at first fixed at $250,000, but has been increased, by vote of the Directors, to $400,000, nearly all of which is taken.

New York City. — A New Bank. — We understand a new bank, with a capital of $300,000, called the "Citizens' Bank," is being organized under the new banking law. The location is a very desirable one, on the southwest corner of Bowery and Walker Street. We learn the President is to be Jay Jarvis, Esq. The institution, under the direction of the gentlemen having charge of it, judging from their ability in the management of their own business, cannot but be a source of profit to those who invest in it.

Ocean Bank. — D. Randolph Martin, Esq., was, on the 21st of December, elected President of the Ocean Bank, City of New York, in place of Nathaniel Weed, Esq, resigned on account of ill health.

New Banks. — The stock of the Bank of the Republic, amounting to $1,000,000, has been subscribed. This new institution, it is said, will be located in Broadway, near Wall Street, under the presidency of G. B. Lamar, Esq.

New Banks. — The Chatham Bank will shortly commence business in Chatham Street, under the presidency of Elias G. Drake, formerly of the West Fire Insurance Co., and Mr. Hays, formerly Cashier of the North River Bank, is to be the new Cashier. The capital is $300,000.

Another banking company is also in course of formation, to be called the "Tompkins Bank," and to be located near Tompkins Square, in the upper part of the city of New York.

Cooperstown. — The Otsego County Bank was robbed between Saturday afternoon, 28th January, and Monday following, of $32,000, nearly as follows: — $5,000 bills of Central Bank, Cherry Valley; $19,000 bills of various banks, mostly in New York State, west of Schenectady; $900 bills of Otsego County Bank; $4,500 in gold; $2,500 in silver. $5,000 reward is offered for the conviction of the burglar and the recovery of the money, or $2,000 for the former, or $3,000 for the latter. This loss does not exhaust the surplus fund of the bank, and its credit is still good.

The Otsego Bank Robbery. — The *Syracuse Star* says, in reference to the recent robbery of this bank, — "We have, at the request of officers, refrained from any allusion to a state of facts, which look to the detection of the perpetrators of the bold robbery of the Otsego Bank. The officers are on the track of a gang, and detection is among probabilities."

Troy. — The Union Bank of Troy will soon commence operations with a capital of $250,000. President, Joel Mallay, Esq.; Cashier, John Kerr, Esq.

Wayne County. — "The Commercial Bank of Clyde" has been organized at Clyde, Wayne County, New York. President, Isaac Miller, Esq.

Catskill. — George Ellis, Esq., formerly of the State Bank, New Brunswick, was in November last elected Cashier of the Catskill Bank, in place of Hiland Hill, Esq., deceased.

Syracuse. — Merchants' Bank of Syracuse. — The stockholders in this new institution elected a Board of Directors on the 31st December last. John D. Norton was chosen President, Edward B. Judson, Vice-President, and Eli H. Sherman, Cashier. The bank has a capital of $135,000, and will probably go into operation about the 1st of February.

Charters Expired. — The charters of the New York State Bank, Albany, and the Bank of Newburgh, expired on the 1st of January, 1851. Both will be continued under the same title, under the general banking law.

Albany. — The New York State Bank has commenced business at Albany, under the general banking law of the State, and has purchased for the sum of nineteen

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thousand dollars the property hitherto occupied by the chartered bank in State Street.

Albany. — The *Albany Journal* states that there is a project on foot for establishing a new bank in that city, with a capital of $250,000, for the benefit of mechanics and small traders (?). The number of banks in Albany now is less than in 1847 - 48.

Fort Plain. — Amos A. Bradley, Esq., has been elected Cashier of the Fort Plain Bank, in place of Isaiah C. Babcock, Esq., resigned.

Brooklyn. — The City Bank of Brooklyn commenced business on Saturday, the 14th December, at No. 136 Atlantic Street, with a cash capital, all paid in, of $250,000. Their circulating notes (which are secured wholly by United States and New York State stocks) were paid out to their customers on the day the bank opened. The Merchants' Exchange Bank, in the city of New York, redeems the checks and notes of the new bank.

New York Board of Brokers. — H. G. Stebbins, Esq., of the firm of S. Jaudon & Co., has been elected President of the New York Board of Brokers, in place of D. C. Clarkson, Esq., resigned.

New Jersey. — The late annual report shows an increase of capital stock in that State of $158,180, viz.: —

Belvidere Bank, . . .	$46,880	Farmers' Bank, Wantage, new,	$50,000
Sussex Bank, Newton, .	5,510	Farmers and Mechanics' Bank,	
Somerset County Bank, . .	5,450	New Brunswick, new, . .	50,340

As compared with January, 1850, the New Jersey banks show an increase of circulation, coin, deposits, loans, &c., commensurate with those of other States for the same period, viz.: —

	Circulation.	*Coin.*	*Deposits.*	*Loans.*
January, 1851, . . .	$3,046,000	$622,000	$2,411,000	$7,159,000
January, 1850, . . .	2,548,000	620,000	1,888,000	6,395,000

Besides the coin on hand, the New Jersey banks have about one million of dollars due them by the banks of New York and Philadelphia, where their circulation is generally redeemed at par.

In the Legislature of New Jersey, on Thursday, 16th January, a supplement to the General Banking Law was proposed, having in view the extension of the list of securities which may be valid for the issue of bills, beyond those at present legal, — viz. Massachusetts and the United States, — to include the stocks of New York, Ohio, and Pennsylvania, and, as a partial consequence of this, to repeal the personal liabilities of stockholders.

Pennsylvania. — Yesterday, in our District Court, Judge Sharswood gave a verdict in favor of the Commonwealth against the U. S. Bank, for $1,203,750. With costs and interest, in round numbers, $1,300,000. The suit was brought to recover the hundred thousand dollars annually, which the bank, by its charter, agreed to pay as a bonus to the School Fund for 20 years. The bank has defaulted for 12 years. The suit will, of course, be carried to the Supreme Court, and will no doubt be warmly contested, as there will be an effort to make this judgment take precedence of the assignments. For the poor shareholders there seems to be little hope. — *Philadelphia Ledger, January 15th.*

Maryland. — Richard J. Turner, who defrauded the Mechanics' Bank of Baltimore of above $50,000, by charging the same checks twice while employed as their book-keeper, has been pardoned out of the penitentiary by Governor Lowe. A full report of this singular case may be found in the first volume of the *Bankers' Magazine.*

Coin in Virginia. — The Bank of Virginia exhibits $2,340,000 circulation, and $833,000 coin on hand, January, 1851, against $2,033,000 circulation, and $785,000 coin, in January, 1850. A similar increase is observable in almost all the other States.

Virginia. — The Bank of Virginia, the Exchange Bank of Virginia, and the Farmers' Bank of Virginia, have each declared a dividend of four per cent. for the six months ending January 1st, after paying ¼ per cent. bonus to the State.

North Carolina. — The Merchants' Bank of Newbern has been rechartered by the present Legislature.

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New Banks. — Bills are before the Legislature of North Carolina for the establishment of a bank in the town of Wadesborough; also to charter the Bank of Washington, the Bank of Onslow, and a bank in Greensboro, in that State.

South Carolina. — Applications are before the present Legislature for the renewal of the charters of the Union Bank of South Carolina and the Planters and Mechanics' Bank, at Charleston; and of the Commercial Bank of Columbia, S. C. Also for charters of two new banks at Columbia; also one at Winnsborough, and one at Newbury.

Tennessee. — David Newton Kennedy, Esq. (late President), was, on the 19th of November, elected Cashier of the Branch Bank of Tennessee, at Clarkesville; and William B. Munford, Esq., was elected President in place of Mr. Kennedy.

Union Bank. — A new branch of the Union Bank of Tennessee has been established at Chattanooga. J. D. Whiteside, Esq., President; E. G. Pearl, Esq., Cashier.

Kentucky. — The semiannual reports of the Bank of Kentucky, and Northern Bank, and Bank of Louisville, for January, have reached us, too late to be inserted in this No. They show the circulation, &c., as follows: —

	Circulation.	*Specie.*	*Loans.*	*Funds in N. Y.*
Bank of Kentucky,	$ 2,835,000	$ 963,000	$ 5,493,000	$ 540,000
Northern Bank,	2,872,000	1,026,000	4,400,000	484,000
Bank of Louisville,	1,342,000	455,000	2,017,000	Not stated.

Dividends. — Bank of Kentucky, 4½ per cent., and an extra dividend of 2 per cent. Northern Bank, 5 per cent. Bank of Louisville, 4½ per cent. Surplus funds, $ 662,000, $ 257,000, and $ 148,000, respectively.

Ohio. — H. J. Jewett, Esq (late President), has been elected Cashier of the Muskingum Branch Bank, Zanesville; and William Tallant, Esq., has been elected President of the same branch.

State Bank of Indiana. — The annual election of Directors in the several branches of the State Bank took place on the first Monday of last month.

On the 31st of October last, the surplus fund of the State Bank of Indiana amounted to seven hundred and seventeen thousand five hundred and eighty-four dollars and twenty-four cents. This exceeds the whole amount of the suspended debt, and the estimated value of the banking houses and other real estate held by the institution. A large addition has since been made, also, to the surplus fund, after the usual semiannual dividend to stockholders on the 15th of November. More than five eighths of the entire capital of the State Bank is held in specie at this time. In the New England banks the proportion of specie is less than *one tenth* of the aggregate capital. — *Cin. Gazette.*

Florida. — The charter of the Bank of Tallahassee passed the House of Representatives in January by a large majority, and will probably meet the assent of the Senate. There are no banking institutions at present in that State.

Dividends of the Baltimore Banks.

	Year 1847.	*Year* 1848.	*Year* 1849.	*Year* 1850.	½ *Year* 1851.
Merchants' Bank,	6 p. ct.	6 p. ct.	6 p. ct.	7 p. ct.	Jan., 3½ p. ct.
Union Bank,	6 "	7 "	6 "	7 "	" 3½ "
Farmers and Planters' Bank,	7 "	7 "	7½ "	8 "	" 4 "
Chesapeake Bank,	6 "	6 "	6½ "	7 "	" 3½ "
Western Bank,	6 "	6 "	6 "	8 "	" 4 "
Franklin Bank,		6 "	6 "	6 "	" 3 "
Farmers and Merchants' Bank,	6½ "	6½ "	6 "	7¾ "	April,
Marine Bank,	7 "	7 "	6½ "	7 "	"
Commercial and Farmers' Bank,	8 "	8 "	8 "	8 "	May,
Bank of Baltimore,	7½ "	7 "	7 "	7 "	June,
Mechanics' Bank,	6½ "	7 "	7½ "	8 "	"

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Stocks and Exchanges.

STATE SECURITIES, Jan. 22, 1850.

Massachusetts,	5	per cent.,	1859	100 to	101
"	5	" sterling,		105 "	
New York,	6	"	1860	111 "	113
"	6	"	1865	114¾ "	115½
"	5	"	1858	105 "	105¼
"	5	"	1866	105½ "	106
Pennsylvania,	6	"	1879	110 "	115
"	6	" past due,		99⅛ "	100½
"	5	" . . .		95 "	95¼
Maryland,	6	" . . .		102 "	103
"	5	" . . .		88 "	90
"	5	" sterling,		100 "	100¾
Virginia,	6	" . . .		100 "	101
South Carolina,	6	" . . .		100 "	104
Ohio,	5	"	1856	106 "	
"	6	"	1875	115 "	115½
"	7	"	1851	103⅛ "	103¾
Kentucky,	6	"	1871	103 "	104
"	5	" . . .		87 "	90
Tennessee,	5	" . . .		87 "	89
"	6	" . . .		101 "	103
Indiana Bonds,		" . . .		58 "	65
Indiana State,	5	" . . .		85 "	85¼
Alabama,	5	" . . .		90 "	91
"	6	" . . .		92 "	
Arkansas,	6	" . . .		50 "	55
Illinois Int. Imp. Stock,		. . .		65½ "	66½
" Interest Stock,		. . .		42 "	45

BALTIMORE, Jan. 23.

Baltimore, 6 per cent.,	1890	105 to	105½
B. and Ohio R. R. Stock,		73¼ "	73¾
" " Bonds,	1854	"	
" " Bonds,	1867	92 "	92½
Bank of Baltimore, . .	100	94 "	94½
Merchants' Bank, . . .	100	101 "	102
Union Bank, ...	75	70½ "	71
Mechanics' Bank, . . .	15	16¾ "	17
Commercial and Farmers',		33⅓ 37 "	
Western Bank, ...	20	20¾ "	21⅛
Farmers and Planters', .	25	27 "	28
Chesapeake Bank, . . .	25	26 "	28
Marine Bank, ...	30	28⅛ "	29
Farmers and Merchants',	40	40 "	41
Franklin Bank, ...	12½	11⅛ "	12
Farmers' Bank of Maryland,	50	50 "	51
Patapsco Bank, ...	25	22¼ "	22½

PHILADELPHIA, Jan. 21.

U. S., 6 per cent.,	1856	106 to	106½
" "	1862	110 "	110⅛
" "	1867	116 "	116¼
" "	1868	116 "	116⅛
" Coupons,	1868	116 "	116⅛
" 5 per cent.,	1853	100½ "	101⅛
" Treasury Notes, 6 p. cent.,		113½ "	114
Philadelphia, 6 per cent.,		103 "	103½
Nashville, 6 per cent.,	100	92 "	93
Alleghany County R., 6,	100	93¾ "	94
Cincinnati, 6 p. ct., water-works,		97 "	97½
Pittsburg, 6 per cent., coupons,		97 "	98
St. Louis, " "		94½ "	95
Bank of Pennsylvania, .	100	119 "	119½
" North America,	100	139 "	145
Philadelphia Bank, . . .	100	139 "	140
Farmers and Mechanics',	50	70¾ "	71
Commercial Bank, . . .	50	60½ "	61
B. Northern Liberties, .	35	51 "	52
Mechanics' Bank, . . .	20	30⅜ "	31
Southwark Bank, . . .	50	72 "	74
Kensington Bank, . . .	50	63 "	65
B. Penn Township, .	22½	30½ "	31
Western Bank, ...	40	65½ "	66½
Manuf. and Mechanics', .	25	28 "	28½
Bank of Commerce, . .	50	60 "	65
Girard Bank, ...	12½	13⅞ "	14
Bank of Pittsburg, . . .	50	51 "	53
Exchange Bank, . . .	50	48 "	48½
Merchants and Manuf., .	50	51 "	51½
Texas Treasury Notes, .	50	40 "	45
Bank of Louisville, . .	100	102 "	104
Northern Bank, Ky., . .	100	106 "	110
Bank of Kentucky, . .	100	105 "	106
Union Bank, Tennessee,	100	68 "	70
Planters' Bank of Tenn.,		68 "	70
N. O. Gas Light Bank. Co.,		111 "	112
Morris Canal, ...	25	23⅜ "	23¾
Reading Railroad, . . .	50	36 "	37
" Bonds, 6 p. cent.,	1870,	84⅛ "	84½
" Mortgages,	1860,	85 "	86
Com. and Vicks. R. R. B.,	100	20 "	20½
Phil. and Trenton Railroad,	100	126 "	128
Phil., W., Balto. Railroad,	50	31 "	31½
Harrisburg Railroad, . .	50	47¼ "	47½
Schuylkill Navigation, .	50	18½ "	19
Camden and Amboy R. R.	100	130 "	131
Schuylkill Navig., 6 p. c.,	1848	51 "	51½

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NEW YORK, Jan. 22.

N. Y. City, 7 per cent.,	1857	112	to 114
" 5 "	1856	101	" 102
" 5 " W. Ln.,	1858	101⅜	" 102
Brooklyn City, 6 per cent.,	. .	105¼	" 106¼
Albany " 6 "	. .	101	" 101¼
Columbus " 7 "	. .	97	" 100
Erie R. R. Bonds, 1st Mortgage,		110⅛	" 110¾
Hudson River R. R. Bonds,	.	108	" 108
Hartford and New Haven R. R.,		128	" 130
Erie R. R. Bonds, 2d Mortgage, 7		106	" 106
Syracuse and Utica,	. . . 8	136	" 137
" Rochester,	. 8	118⅜	" 119
Long Island Railroad,	. . .	23¼	" 23⅜
Providence and Stonington,	.	52¼	" 52½
N. Y. and New Haven R. R.,	.	118	" 118⅛
Paterson Railroad,	. . . .	104	" 105
Tonawanda Railroad,	. 20	129	" 135
Harlem Railroad,	. . . .	72	" 72½
Mohawk Railroad,	. . . .	101⅝	" 102⅛
Utica and Schenectady,	. . .	133	" 135
Hudson River Railroad,	. . 6	86½	" 87
Bank of New York,	. . . 10	143½	" 146
Manhattan Bank,	 7	122½	" 123
Merchants' Bank,	 10	123	" 128
Mechanics' Bank,	 10	125	" 128
Union Bank,	 10	135	" 138
Bank of America,	 8	113½	" 114
City Bank,	 10	127½	" 129
Phenix Bank,	 7	109¼	" 109⅛
Tradesmen's Bank,	. . 15	140¼	" 145
Fulton Bank,	 10	133	" 140
Del. and Hudson C. Co.,	. 24	137¼	" 137½
Butchers and Drovers',	. 10	130	" 137
National Bank,	 8	113¼	" 115
Merchants' Exchange,	. . 8	116¼	" 117
Leather Manufacturers',	. . 8	117½	" 120
Bank of the State of N. Y.,	7	108	" 109
Bank of Commerce,	. . . 8	109¼	" 109¾
Mech. Banking Association,	7	103	" 103
American Exchange Bank,	10	125	" 126
N. Y., L. I., and T. Co.,	. . 8	126½	" 130
Farmers' L. and T. Co.,	. . .	69	" 69
Ohio Life and T. Co.,	. . .	107	" 107½
Canton Co.,	. . . . .	84	" 85
Bank of Louisiana,	. . . 10	121	" 130
Louisiana State Bank,	. . 10	108	" 108
N. O. Canal and B. Co.,	. . 6	99	" 100
Mech. and Traders' N. O.,	. 8	99	" 101
Cleveland and Cin. R. R.,	7 p. c.,	95	"
Columbus and Xenia, "	7 "	95	" 96
Ohio and Pa., "	7 "	93¼	" 94
Alleghany City, 6 p. ct.,	25 yrs.,	92	" 93
Pittsburg, 6 "	30 yrs.,	97	"
Alleghany Co., 6 "	1860	96	"

BOSTON, Jan. 24.

Boston, 6 per cent.,	1853, . .	101	to 102
" 5 "	1860, . .	100	" 100¼
East Boston Co.,	. . . . .	23⅜	" 28
Atlantic Bank,	. . . . .	110	" 112
Atlas Bank,	. . . . .	102	"
Bank of Commerce,	. . . .	105	" 106
Bank of North America,	. .	101½	" 102
Boston Bank (par 50),	. . .	58	" 59
Boylston Bank,	. . . . .	109	" 110
City Bank,	. . . . .	104	" 105
Cochituate Bank,	. . . . .	102½	" 103
Columbian Bank,	. . . . .	103½	" 104
Eagle Bank,	. . . . .	105	" 106
Exchange Bank,	. . . . .	108	" 110
Freeman's Bank,	. . . . .	109	" 110
Globe Bank,	. . . . .	113	" 114
Granite Bank,	. . . . .	105	" 106
Grocers' Bank,	. . . . .	103	" 103½
Hamilton Bank,	. . . . .	109	" 109½
Market Bank (par 70),	. . .	86	" 86½
Massachusetts Bank (par 250),		255	"
Mechanics' Bank,	. . . . .	105	" 106
Merchants' Bank,	. . . . .	110½	" 111
New England Bank,	. . . .	111½	" 112
North Bank,	. . . . .	102	" 103
Shawmut Bank,	. . . . .	106	" 107
Shoe and Leather Dealers' Bank,		112	" 114
State Bank (par 60),	. . . .	64	" 65
Suffolk Bank,	. . . . .	134	" 136
Traders' Bank,	. . . . .	105	" 105½
Tremont Bank,	. . . . .	105	" 106
Union Bank,	. . . . .	108	" 109
Washington Bank,	. . . . .	101	" 102
Boston and Lowell R. R. (par 500),		570	" 575
" Maine Railroad,	.	106¾	" 107
" Providence Railroad,		85	" 86
" Worcester "		106	" 107
Concord Railroad (par 50),	. .	55½	" 56
Connecticut River Railroad,	.	78	" 80
Eastern Railroad,	. . . . .	104	" 104½
Fall River Railroad,	. . . .	92	" 95
Fitchburg Railroad,	. . . .	111⅛	" 112
Hartford and New Haven R. R.,		130	" 134
Nashua and Lowell Railroad,	.	108½	" 109
Norwich and Worcester preferred,		68½	" 69
Northern Railroad,	. . . .	72½	" 73
Old Colony Railroad,	. . . .	67½	" 68
Stonington "	. . . .	47½	" 48
Vermont and Mass. Railroad,	.	31⅛	" 31⅜
Vermont Central Railroad,	. .	37	" 38
Western Railroad,	. . . . .	105½	" 106
Albany W. Railroad, 6 per cent.,		107	" 108
Michigan Central Railroad,	.	98	" 99
New Bedford and Taunton R. R.,		112	" 115

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Ohio. — We published in our August No. the Returns of the Ohio Banks for May, 1850. We have lately received a copy of their Returns for August, 1850. The items do not vary much, however, when compared with the former. The coin now on hand is shown to be $2,751,000. A correspondent in that State writes, — "I have occasionally, during the past year, sent you a copy of the General Abstract of all the Banks of Ohio, as the best evidence that they are second to none other in the Union for soundness." The coin on hand is unnecessarily large, when we consider the extent of country over which their banks are distributed. All the banks in Massachusetts in October, 1849, with circulation $13,000,000 and capital $34,000,000, had less coin in their vaults.

New York City Banks. — We are indebted to the *New York Courier and Enquirer* for the following condensed statement of the leading features of the New York City Banks for the fourth quarter ending Saturday, Dec. 21, 1850 : —

Resources.

Incorporated Banks.	*Loans and Discounts.*	*Specie.*	*Due from Banks.*
Bank of the State of New York,	$ 4,921,009	$ 1,604,465	$ 914,527
Bank of New York,	2,655 530	1,179,365	219,797
Merchants' Bank,	3,888,014	1,295,820	1,041,474
Bank of America,	4,213,646	1,124,829	533,658
Mechanics' Bank,	3,725,982	875,226	309,999
Union Bank,	2,672,906	373,364	100,879
Phenix Bank,	3,416,042	362,070	87,367
Manhattan Bank,	4,367,966	653,017	166,108
City Bank,	1,641,628	250,613	246,809
Leather Manufacturers' Bank,	1,564,100	189,195	240,335
National Bank,	1,635,499	202,379	156,217
Butchers and Drovers' Bank,	1,645,070	395,801	112,474
Seventh Ward Bank,	1,239,441	109,593	54,773
Tradesmen's Bank,	1,264,901	67,404	67,694
Mechanics and Traders' Bank,	564,237	40,056	108,283
Dry Dock Bank,	241,726	14,353	27,271
Greenwich Bank,	530,000	20,000	99,000
Associated Banks.			
Bank of Commerce,	7,147,303	825,581	200,854
American Exchange Bank,	4,951,334	609,174	559,414
Merchants' Exchange Bank,	2,923,479	99,329	468,665
Mechanics' Banking Association,	1,426,465	105,498	269,457
North River Bank,	1,419,700	113,932	103,115
Chemical Bank,	1,266,865	94,128	64,157
Fulton Bank,	1,660,562	130,952	52,999
Ocean Bank,	1,144,956	96,639	61,100
Broadway Bank,	1,061.116	71,106	60,095
Bowery Bank,	1,036,889	47,303	31,441
Mercantile Bank,	721,865	31,550	16,048
Pacific Bank,	507,058	28,362	59,836
Total, 29 banks,	$ 65,454,349	$ 11,011,104	$ 6,484,346
Sept 28, 1850, 23 banks,	62,466,800	9,061,766	. . .
June 29, 1850, 27 "	59,878,038	10,753,682	. . .
Mar. 30, 1850, 26 "	56,430,647	6,861,501	. . .

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LIABILITIES.

Incorporated Banks.	*Circulation.*	*Depositors.*	*Due to Banks.*
Bank of the State of New York,	$ 469,367	$ 3,133,597	$ 3,032,434
Bank of New York,	448,582	2,464,381	513,414
Merchants' Bank,	301,155	3,351,183	2,019,552
Bank of America,	225,818	2,210,829	1,955,548
Mechanics' Bank,	459,303	2,630,269	916,481
Union Bank,	369,394	1,685,807	725,819
Phenix Bank,	383,355	2,239,935	947,024
Manhattan Bank,	413,742	2,551,937	480,855
City Bank,	139,416	1,168,558	276,631
Leather Manufacturers' Bank,	176,239	1,132,029	262,453
National Bank,	124,149	946,416	215,449
Butchers and Drovers' Bank,	297,090	1,521,239	34,811
Seventh Ward Bank,	244,964	723,511	37,590
Tradesmen's Bank,	265,060	974,878	38,148
Dry Dock Bank,	65,062	52,053	11
Mechanics and Traders' Bank,	146,758	376,242	69,577
Greenwich Bank,	180,000	290,000	62,000
Associated Banks.			
Bank of Commerce,	9,625	2,300,393	2,050,484
American Exchange Bank,	329,105	2,770,493	2,750,645
Merchants' Exchange Bank,	112,037	1,180,399	884,375
Mechanics' Banking Association,	275,145	1,179,226	275,320
North River Bank,	372,989	1,070,855	193,310
Chemical Bank,	265,962	933,623	60,061
Fulton Bank,	206,893	975,203	418,408
Ocean Bank,	93,117	726,881	91,480
Broadway Bank,	211,793	791,655	31,988
Bowery Bank,	195,170	847,929	13,300
Mercantile Bank,	77,909	478,698	80,436
Pacific Bank,	96,125	254,443	11,820
Total, 29 banks,	$ 6,955,829	$ 40,962,662	$ 18,449,424
Sept. 28, 1850, 28 banks,	6,571,153	37,203,202	13,285,070
June 29, 1850, 27 "	5,919,363	35,861,139	17,438,220
Mar. 30, 1850, 26 "	6,725,688	32,067,937	12,160,097

The amount of specie in the city, at three different periods, was as follows:—

	Dec. 21, 1850.	*Sept.* 28, 1850.	*June* 29, 1850.
In the banks,	$ 11,011,104	$ 9,061,763	$ 10,753,962
In the Sub-Treasury,	3,793,750	5,431,164	2,089,148
Total,	$ 14,804,854	$ 14,492,927	$ 12,843,110

NEW BOOKS.— *Hunt's Merchants' Magazine* — The December number of this truly national work concluded the twenty-third volume of the series. No well-formed public or private library or public institution can properly dispense with Mr. Hunt's Magazine. Among the numerous articles contained in the December number, we find three that are worth the attention of bankers more especially, viz.:— I. Advantages and Disadvantages of Private Corporations. By A. B. Johnson, Esq., President of the Ontario Branch Bank at Utica. II. History of British Panics. By G. M. Bell, Bank Manager, and author of "The Philosophy of Joint-Stock Banking." III. Lawson's History of Banking, reviewed. There is a second article in the same number from the pen of Mr. A. B. Johnson, entitled, "The Legislative His-

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tory of Corporations in the State of New York." The January number of the same work is also full of important information; among which we can enumerate,—I California Gold; with Reference to the Relative Value of Gold and Silver. By George Tucker, Esq. II. The Law of Usury. By J. C. Cochrane, Esq. Other portions of the work contain valuable statistical tables, and commercial and legal information, which render the volumes indispensable to merchants. Monthly. $5 per annum.

The Edinburgh Review. The last number of the *Edinburgh Review* (October, 1850) is one of the ablest that has appeared for some years. Its article upon France is as well adapted for the consideration of American statesmen as for those of Europe. Indeed, the subject could not have been thus treated at any time so appropriately and so advantageously as at present. Leonard Scott & Co., Publishers, New York.

The Farmers' Guide to Scientific and Practical Agriculture. Detailing the labors of the farmer, in all their variety, and adapting them to the seasons of the year, as they successively occur. By Henry Stephens, F. R. S. E.; with additions by John P. Norton, Professor of Scientific Agriculture, in Yale College. Three additional numbers of this valuable series have reached us, from the publishers, Messrs. Leonard Scott & Co., New York. The work was ably written in the first instance, and the descriptions of agricultural implements copiously illustrated by engravings. The materials by the American editor render it one of the most valuable additions to works on agricultural science. Price, 25 cents per number.

History of Propellers and Steam Navigation; with Biographical Sketches of the Early Inventors. By Robert Macfarlane, C. E. New York: Geo. P. Putnam. 12mo. pp. 144. This little volume furnishes an interesting sketch of the progress of river and ocean steam navigation, with numerous engraved illustrations of propeller machinery, and of the early steamboats, interspersed with accounts of Fulton, Fitch, Stevens, Bell, Rennie, Buchanan, and others who have been conspicuous for their labors to bring the steam-engine to perfection.

Notes on the Money Market.

BOSTON, 25TH JANUARY, 1851.

Exchange on London, sixty days, 110 *to* 110¼.

THE money market is buoyant, accompanied with more speculation than we have had for some years past. In Boston, the banks are doing nearly all the good paper that offers, and the street rate on business paper may be quoted at 7 to 8 per cent. New York is looked to by our own capitalists as the great commercial and moneyed centre, and as the grand reflector of rates and of prices. If money *goes up* in New York, the effect is immediate here, and when capital is superabundant there, loans are more easily effected here.

The concentration of capital at New York, from all quarters of the Union, as well as from New England, enables that great city to give *a tone* to the money circles of other cities. The superior importance of New York over others may be better illustrated by the enormous amount of money there on deposit, waiting investment, which, while thus waiting orders, is in a large part temporarily loaned by the banks. That is, the banks use a certain portion of foreign and domestic deposits in loans either *at call*, or on thirty and sixty day paper. New York City has a bank capital of twenty-eight millions; Boston, twenty-two millions; and their business may be summed up thus:—

	Circulation.	*Deposits.*	*Due Banks and Bankers.*	*Loans.*	*Specie.*
New York, Dec., 1850,	$7,000,000	$40,000,000	$18,000,000	$65,000,000	$11,000,000
Boston, Sep., 1850,	$6,000,000	$7,600,000	$6,300,000	$35,000,000	$2,200,000

In other words, New York is enabled to loan $232 upon every $100 of capital paid in; while Boston loans only $160 for every hundred. In New York, the individual and foreign deposits, when compared to capital, are as two to one, while in Boston they are as 67 to 100. We cannot but attribute this difference to the more liberal rate of interest which exists in New York; a difference that unquestionably draws capital to that State from Massachusetts, Pennsylvania, New Jersey, Connecticut, and other States.

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Several of the New York City bank stocks command premiums varying from 25 to 50 per cent., while in Boston there is but one above 15 per cent. In Philadelphia larger dividends are made, and the present *average* premium on the stock of their fourteen banks is thirty-six per cent.

The increased arrivals of bullion from California have given an impetus to trade throughout the Union. While the stock of specie in the banks has increased from 10 to 20 per cent. within the past twelve months, there has been a gradually increased demand for bank capital and bank circulation. Both have become enlarged in almost every State in the Union. We refer to another page for information as to the establishment of two new banks in Maine, one in New Hampshire, and three applications in this Commonwealth. Within a few months past, three new banks have been established in New York City and Brooklyn, one in Rhode Island, two in Vermont, several in the State of New York, ten in Kentucky, two in Maryland, and a few in other States. In New Jersey, Indiana, &c., a disposition is shown to adopt the New York free bank system, which is also virtually in operation in Ohio.

Our present number is largely occupied with the discussion of the effect that will be produced by the increased importation of gold. Some legislation by Congress will be necessary in order to maintain a portion of the silver in the country. It will be no disadvantage if gold is retained as a sole legal tender for all sums over fifty or one hundred dollars. The present scarcity of silver change has already increased the demand for small notes as change. The proposed coinage of three-cent pieces, accompanied by reduced rates of letter-postage, will prove beneficial to every class of the community.

We learn that the bullion of the Bank of England has been reduced a million and a half sterling within twelve months. This reduction has been accompanied with undue speculation in railway shares and other securities. The result is an advanced rate of interest, from 2½ to 3 per cent., adopted by the bank, accompanied with a market premium on silver of about 2 to 3 per cent. The published returns of the Bank of England are as follows: —

	Dec. 21, 1850.	*Dec.* 17, 1849.
Bullion,	£15,359,376	£16,991,261
Circulation,	19,715,187	19,022,116
Reserve,	18,233,710	13,938,361
Other securities,	13,762,797	10,803,418
Public deposits,	10,783,808	9,529,986
Other deposits,	9,201,634	9,928,865
Rest,	3,101,796	3,111,592
Government securities,	14,233,252	14,350,880

The circulation in the above table includes post-bills.

On the 28th of December the bullion had become reduced to £14,963,000.

The circulation and coin of the banks of Great Britain are thus stated for the close of 1849 and 1850: —

	Circulation.		Coin.	
Banks.	*Dec.* 1, 1849.	*Dec.* 1, 1850.	*Dec.* 17, 1849.	*Dec.* 21, 1850
Bank of England,	£18,155,200	£18,893,300	£16,991,200	£15,359,300
Private banks,	3,703,500	3,611,100	. . .	. . .
Joint-stock banks,	2,703,700	2,789,100	. . .	. . .
Total, England,	£24,563,000	£25,294,000	. . .	. . .
Scotland,	3,500,200	3,594,200	903,000	914,000
Ireland,	4,674,100	4,943,700	1,473,000	1,264,000
Total, United Kingdom,	£32,737,300	£33,831,900	. . .	. . .

The following is the provision in the last recharter of the Bank of England, relating to gold and silver: — "III. And whereas it is necessary to limit the amount of silver bullion on which it shall be lawful for the issue department of the Bank of England to issue Bank of England notes; be it therefore enacted, that it shall not be lawful for the Bank of Eng-

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land to retain in the issue department of the said bank, at any one time, an amount of silver bullion exceeding one fourth part of the gold coin and bullion at such time held by the Bank of England in the issue department."

The proposition for the establishment of a Branch Mint at New York is again before Congress, and will be acted upon in a few days. Another proposition has been made, to obviate this new establishment, authorizing the New York Sub-Treasury or Custom House to receive Mint Certificates as cash. This substitute will not meet the wants of the commercial people of New York, which city must remain in perpetuity the great commercial centre of the United States. A still better move would be to abolish the branch mints at New Orleans, Dahlonega, and Charlotte, at which points the expense of coinage is too great to be profitable, and concentrate all the coinage at the two cities of New York and Philadelphia.

Nearly every ounce of gold-dust and foreign coin imported into the Atlantic States arrives at New York, where it should be convertible into American coin, without subjecting the owners to the expense and labor and loss of time incident to transmission to and from another city. The expense of coinage is found to be as follows: —

At Philadelphia, 2.23 per cent.	At Charlotte, N. C., 9.00 per cent.
At New Orleans, 6.68 per cent.	At Dahlonega, Ga., 9.97 per cent.

Within the last year there has been an increase of more than twenty per cent. in the circulation of the New York free banks. There are now 71 banking associations and 65 individual bankers doing business under the general banking laws of that State, being an increase of 23 in the year, with circulation as follows: —

	113, *December*, 1849.	136, *December*, 1850.
Circulation, ...	$ 11,180,675	$ 14,293,115
Securities, ...	11,916,816	14,823,957

The securities deposited with the Comptroller of the State for the redemption of this circulation were as follows (*December*, 1850): —

Bonds and Mortgages, . . .	$ 2,320,914	Arkansas Stocks, ...	$ 375,000
New York State Stocks, . . .	8,108,238	Indiana "	6,650
United States " . . .	2,894,480	Alabama "	34,000
Illinois " . . .	650,696	Cash, ...	202,117
Michigan " . . .	220,000		

Allusion has been made in a preceding No. to some important discovery in the manufacture of bank-note paper, whereby forging and counterfeits may be prevented. It is to be hoped that such a plan may be matured. The great increase of fraudulent coins and bank-notes in the United States seems to demand more attention to the means of preventing such circulation. A liberal reward, say twenty thousand dollars, for the discovery of a process for making bank-note paper and for producing engraved plates, whereby spurious issues may be prevented, would perhaps produce a good result. A combination among the banks of the several cities, for the adoption of means to prevent the manufacture of spurious notes, would likewise do good. *In union there is strength, and in combination there is wisdom.* A fund should be created, from the contributions of numerous banking institutions, under the control of a committee, to obviate existing frauds of this kind. The cashiers of all the Philadelphia banks meet once a week for the purpose of consultation as to interests and subjects generally important to all of the banks of that city. The good arising from such consultations is no doubt great. The suggestion of one may be highly advantageous to the others; and the information accidentally possessed by one institution may be thus communicated to many. A consulting committee from the banks of Boston, New York, Albany, Philadelphia, Baltimore, Richmond, and some other cities, to meet once a month, would probably accomplish much good to all parties. It would certainly be the means of diffusing information of importance to all, and of concentrating their efforts for mutual protection against frauds. The suggestion of one bank officer would perhaps produce beneficial results to many others; while the subjects of bank-note engraving, by-laws, bank bonds, bank government, bank accounts, and numerous others, could be discussed to mutual advantage.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. MARCH, 1851. No. IX.

FRAUDS UPON BANKS.

THERE have never been in the history of banking such vast quantities of counterfeit paper thrown upon the community as at this period. The engraved plates of more than two thirds of the banks in this country have been so successfully and fraudulently imitated, that few persons are enabled to discriminate between the genuine and the false paper. Much of this evil may be attributed to that false economy on the part of many institutions, which induces them to employ second or third rate artists in the execution and printing of plates. This may be seen in the fact, that counterfeiters generally take the most indifferent bills for imitation, and are therefore more successful in imposing upon the community. Attempts are rarely made to imitate the recent work of our best bank-note engravers, and if they only were employed, the quantity of spurious paper would be essentially reduced.

It seems surprising to us, that there is not a combination on the part of our banks generally, for the adoption of measures to prevent this great increase of spurious bills which is now observable. One would infer that the important discoveries in science, and rapid improvements in the arts, would lead to some invention whereby counterfeiting could be obviated. A few thousand dollars appropriated to such an object would, perhaps, lead to some invention of paper, ink, or plates, that would render the counterfeiter's labors abortive, and serve to protect the people from such incessant frauds as are now practised upon them in the shape of spurious bank-bills.

We have before us several exquisite specimens of newly engraved bank-notes from the press of Messrs. Toppan, Carpenter, & Co., whose

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advertisement will be found on our cover. These plates were executed for the new *Bank of Commerce*, at Boston, and for the *John Hancock Bank*, at Springfield, in this State. A contemporary remarks in reference to counterfeiting: —

"There never has been a time in the history of financial matters in which the issues of spurious currency have been so copious and universal. The highest application of ingenuity of which the mind is capable seems to have been employed in securing the ways and means of throwing upon the community spurious issues in every branch of the department. Well executed engravings; changes from lower to higher figures in the denominations; cutting notes to pieces, dividing them in such a way that four good bills make five shorter ones, but so deceptive that very few persons would detect the fraud."

The best security which the community and the banks can obtain against spurious notes, is the employment of the best engravers and printers for bank issues. We rarely find any attempt made to counterfeit the best executed notes. Counterfeiters generally imitate the work of second or third rate artists and printers, who are sometimes employed by bank officers in order to save a few dollars in the expense. It is in consequence of this unwise economy that genuine impressions from bank-note plates, with false signatures, have been allowed to get into circulation. If banking institutions would invariably employ the best workmen, the trade of counterfeiting would nearly cease.

The late law of Connecticut, requiring the presence of a bank director in all cases where bank-note printing is going on, *amounts to nothing*. As long as the engraved plates are left in the hands of irresponsible firms and second-rate workmen, whereby a few dollars may be saved in the printing bill, there will be no guarantee against the fraudulent issue of genuine impressions.

The late fraud upon the Bank of the State of Missouri, at St. Louis, is one of many instances in which banks and individuals have been imposed on, by the deposit of spurious paper. We have known, too, some instances in which the counterfeit work was better done than the genuine.

Some years since, the Bank of the United States took on deposit several thousand dollars of spurious bills on the Bank of the State of Georgia. These were delivered to the latter bank and received as *genuine*, and the mistake was not discovered till nineteen days afterwards. Upon a suit against the Bank of the United States before the Supreme Court, U. S., to recover back the amount paid by the Georgia bank, the court held that the latter could not recover, because it had "received and adopted the notes as its own genuine issues, in the most absolute and unconditional manner. . . . . The receipt by a bank of forged notes, purporting to be its own, must be deemed an adoption of them. . . . . *The bank is bound to know its own paper*, and provide for its payment, *and must be presumed to use all reasonable means, by private marks and otherwise, to secure itself against forgeries and impositions.*"

We have not learnt how much of the spurious paper was lately paid into the Bank of the State of Missouri, but from the fact that the fraud was not discovered for some days, and that portions of the same bills were

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paid out at the counter, *with assurances of their genuineness*, our banking friends can see the obvious necessity for more precaution. Several old banking institutions have recently provided themselves with new plates, and are now withdrawing their old issues from circulation.

It gives us pleasure to remind our readers of the premium or reward offered by Mr. James W. Gilbart, of London, for the best essay or communication upon improvements in bank fixtures, having in view, more especially, increased protection against forgery and burglary. Mr. Gilbart is an experienced banker, and Manager of the London and Westminster Bank. His numerous writings upon banking are familiar to many of our readers, and his Practical Treatise upon this subject is now partially (and will soon be fully) before all our subscribers. Mr. Gilbart proposes (see page 685, February No.) to pay a premium of one hundred pounds sterling to the author of the best essay upon this question, viz.

In what way can any of the articles collected at the Industrial Exhibition of 1851 *be rendered especially serviceable to the interests of Practical Banking?*

The interests of Practical Banking may be essentially and permanently promoted, and the community likewise benefited, by suggestions or inventions, or improvements in the manufacture of bank-notes; the process of engraving plates to prevent forgery; the manufacture of bank-note paper. The next most important topic is the construction of bank locks that cannot be opened by false keys, nor blown up, nor prized open, by any process. If this idea can be accomplished, the inventor would richly deserve a bonus of fifty thousand dollars, instead of five hundred.

There are numerous other subjects embraced in the inquiry suggested by Mr. Gilbart, all of which have a bearing upon *practical* banking, and in all which important improvements may be made. Among these we enumerate the following: —

1. Ventilation of bank buildings and banking rooms.
2. Construction, decoration, and economy of bank furniture, including counters, desks, &c.
3. Manufacture of writing-paper, pens, ink, account-books, copying presses, scales, and other articles in daily use by bank officers.
4. Improvements in engraving and printing, whereby economy in bank-notes, circulars, letters of credit, and other useful documents, may be secured, and forgery obviated.
5. Inventions and improvements in the construction of cash-boxes, safes, &c., whereby economy of space, economy in cost, and security may be obtained.
6. Construction of bank buildings, whereby economy in cost and in space, light, heat, &c., may be promoted.

Together with any other branch of a banker's business, which may be considered, by the committee, as fully and largely promoted by the essay.

The field is a wide one, and is equally open to the machinist and manufacturer, the artist and the student, the political economist as well as the practical banker. We cannot but hope that the inquiry will be productive of much good, directly or indirectly. If nothing better shall be

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the result, it will at least put many bankers on the inquiry as to the *profession* of banking, and induce many to think who have never thought before. Like the great Industrial Exhibition, in leading to similar undertakings in future years, the present suggestion of Mr. Gilbart may lead to more liberal and more combined efforts on the part of our own bankers.

BANKING IN MISSOURI.

THE Bank of the State of Missouri is the only banking institution in existence in that State: one only being authorized by the Constitution. The parent bank is located at St. Louis, with branches at Palmyra, Springfield, Lexington, Jackson, and Fayette. The aggregate capital in July last was $1,208,751, one half of which is appropriated to the use of the five branches, leaving only about $600,000 for the city of St. Louis, with a population of not much less than one hundred thousand persons. Of this aggregate capital, $954,000 is held by the State, and $254,000 by individuals. This amount of capital is manifestly insufficient for the wants of so large a commercial city, and a movement is now made in the Legislature for remodelling the present bank, so as to increase the capital and place the control with a board of directors appointed by individual stockholders, instead of a board of State directors as at present.

We now append the Report of the Committee on Banks and Corporations of the Senate of Missouri, to which Report a bill was attached having in view the sale of the State's interest in the present bank, and the establishment of another, with a capital of $5,000,000.

Until recently, the legal rate of interest in Missouri has been ten per cent. per annum; it is now six per cent. The former rate had a tendency to draw capital to that State from the East, and to this source may be ascribed much of the growth and prosperity of its commercial capital, St. Louis. Although the penalty for the violation of the usury laws is merely nominal (a forfeiture of the excess of interest, *for the benefit of the school fund*), yet it may be fairly presumed that this foreign capital will be withdrawn for employment at home, or at some higher market.

The last Report of the Bank of the State of Missouri exhibited as follows:— Individual deposits, $989,000; circulation, $2,400,000; loans, $3,185,000; coin, $1,500,000.

A bank, with the proposed capital of $5,000,000, and a fixed rate of interest not exceeding eight per cent., would accomplish more good for Missouri than five years' ordinary legislation.

BANK REPORT. — SENATE OF MISSOURI.

Report of the Hon. Wayman Crow, Chairman of the Committee on Banks and Corporations, January 15, 1851.

The Committee on Banks and Corporations, to whom was referred so much of the Governor's message as relates to the Bank of the State of Missouri, have given to the subject that careful consideration which its importance demands, and have instructed me to report,

That the committee fully concur with the Governor in the opinion that

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banking corporations, controlled exclusively or chiefly by agents chosen by legislative bodies, are seldom, if ever, managed safely and judiciously. This result is readily accounted for on the grounds suggested in the message.

To conduct such institutions judiciously and discreetly, requires experience, capacity, honesty, and the highest degree of financial skill on the part of the directors. In the appointment of these officers, neither legislative bodies nor executive officers (where the appointing power is confided to them) have the opportunity of learning, with any certainty, the qualifications of those who are recommended for this responsible station. With all the vigilance they can exercise, it results from the very nature of the circumstances, that they are compelled to rely more upon casual information, derived oftener from interested parties, than upon any personal knowledge of the fitness and capacity of the persons chosen.

In this way it often happens that incompetent persons are selected as directors, who are fitted neither by education, experience, nor natural capacity, for the discharge of the important duties connected with the management of the bank. But if it were otherwise, and if capable agents and officers were always selected, experience has demonstrated that banking corporations, under the management of capable directors, are not generally well conducted, unless the ceaseless vigilance of private interest overlooks and controls their affairs. Until human nature shall become less frail than it now is, it will require a constant sense of responsibility on the part of the agents, and continued watchfulness on the part of the principal, to insure fidelity in the discharge of such trusts. These guarantees are, in a great degree, wanting, where the directors are appointed by a legislative body, or an executive officer.

Experience, not only in our own, but in other States, has proved satisfactorily that these conclusions are well founded, and that banks are rarely, if ever, well and safely managed by such agents.

The committee also concur with the Executive in the opinion, that, "while the State continues to hold the stock invested, and to be responsible for that of the University and Common School fund, and the disproportion of the stock held by private individuals continues as great as it is, it will be advisable to make no change in the management of the bank. So long as the State continues to own so large a majority of the stock as it now does, the management of the bank could not properly be confided to other agents than those appointed by the State." But the committee are clearly of the opinion, that good policy requires that the State should cease to be a stockholder in the bank at the earliest moment when that event can be accomplished without loss. It may be a matter of doubt whether, under any circumstances, it is a wise policy for a State to borrow money for the purpose of investing it in a banking corporation. But our own experience has demonstrated, that, situated as our bank is, and managed as it has been, and is likely to be under the present organization, it is the duty of the State to withdraw its investment as soon as it can be done without loss, and without deranging the business of the country.

The question then arises as to the best mode of accomplishing this re-

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sult. The charter has six years to run, and the State has no power to abridge the term without the consent of private stockholders; nor could it, without considerable delay, in any practicable mode, cause the affairs of the bank to be closed up so as to return to the State its investment. If it were considered that the State has now the power to wind up the bank at once, it is apparent that this could not be done without, to a considerable extent, deranging business and causing serious embarrassment to the trade of the State. These results are to be avoided, if possible, and your committee are of opinion that they may be entirely obviated by the plan which they propose to suggest.

In considering this plan, it will be borne in mind that the ends to be accomplished are, first, to reimburse the State its investment without loss, and without infringing on the rights of the private stockholders; and, secondly, to avoid any revulsion of trade or derangement of the business of the country by a sudden withdrawal of banking capital.

In the opinion of this committee there is but one mode by which these results can be readily, safely, and certainly accomplished, and that mode is, —

1st. To extend the charter for a reasonable period, so as to invite investments of private capital in its stock.

2d. To authorize an additional subscription of private stock.

3d. To confide to private stockholders the selection of a majority of the directors.

4th. When the requisite amount of private stock shall have been subscribed, to render it imperative upon the bank, or the private stockholders, to purchase the stock of the State at not less than its par value.

5th. That when the proceeds of said sale shall be realized, they shall be deposited with the bank to the credit of the State, at an annual interest of six per cent., until otherwise ordered by the General Assembly.

6th. To obviate any constitutional objection, that one half the entire capital be "reserved" for the use of the State, and to be hereafter taken by the State, if it shall be deemed expedient by the General Assembly.

7th. To require a bonus of a half per cent. per annum on the capital.

8th. To prevent over-issues by the bank, by requiring all notes issued to be countersigned by the Auditor of the State.

In reference to the proposed extension of the charter, the committee have to remark, that in their opinion it will be found impossible to obtain subscriptions of stock without this condition. The charter having only six years to run, capitalists will not invest in it without an extension. This condition, therefore, lies at the foundation of the scheme, and without it, in the opinion of the committee, nothing could be accomplished. The subscription of additional private stock is equally indispensable, for the reason, that, to enable the bank to purchase the stock held by the State, its capital must be increased; or, if not purchased by the bank in its corporate capacity, but by the private stockholders, they must be induced to purchase by having the privilege of employing an increased capital. The committee are aware that some persons may object to an increase of the banking capital of the State, on the ground that it has been the settled policy of Missouri to engage as little as possible in banking enterprises,

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and, as far as practicable, to rely upon the precious metals for a circulating medium. But the committee respectfully submit, that of necessity we must take things as we find them, and not as we would have them. In despite of all previous legislation, we find our circulation to consist, in a great measure, of the notes of foreign banks, and it is believed there is no practicable mode of keeping this circulation beyond our borders, while we are surrounded by States in which such institutions exist.

Your committee believe that the best check upon this evil, if it be one, which we can desire, will be to supply the place of the circulation of foreign banks by that of our own, which is subject to our own laws, under the control and management of our own citizens, and whose affairs may be investigated from time to time, so that the people may be at all times kept advised of its condition. In accordance with these views, the committee instruct me to report the accompanying bill, and recommend its passage, which is respectfully submitted.

WAYMAN CROW,
On behalf of the Committee.

STATE FINANCES.

NEW YORK.

Extracts from the Annual Message of Governor Hunt to the Legislature of New York, December, 1850.

AT no former period in our history have the affairs of the State presented a more encouraging aspect. The year which has recently closed was peculiarly prosperous and auspicious. The pestilence which visited our cities the previous year, and which continues its desolating ravages on some portions of the continent, disappeared beyond our borders, and was followed by a season of unexampled public health. The earth yielded an unusual abundance to remunerate the toil of its cultivators, and industry in other forms, including many branches of trade and manufactures, found active and profitable employment. With our rapid progress in wealth and population, it is gratifying to observe the constant advancement of our people in moral and intellectual improvement. The wider dissemination of knowledge among the masses, the influence shed abroad by our seminaries of learning, the constant increase of religious and benevolent institutions for the alleviation of human sorrows, the peaceful conquests of invention and the arts, all tend to elevate the condition of society and to strengthen the foundations of popular government. These genial influences, combining to augment the happiness and exalt the character of the State, have been cherished by the liberal spirit of past legislation; and I cannot too earnestly commend the enlightened action of your predecessors, in this regard, and especially in seconding the efforts of humane individuals to improve the moral and physical condition of the unfortunate and the humble, as an example worthy of your emulation. . . . . .

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It affords me much satisfaction to congratulate you on the sound and healthful condition of our State finances. It became my duty before retiring from the office of Comptroller, to prepare an annual report exhibiting the condition of the Treasury, and of the several funds, at the close of the last fiscal year, to which, with the suggestions therein contained, I would respectfully invite your attention.

It appears that after meeting all the appropriations payable during the last fiscal year, from the ordinary revenues, there remained a balance in the General Fund at the close of the year of $ 54,521.28.

It is estimated that the receipts of the current year, from ordinary sources, will be sufficient to defray all the usual expenses of the State, and that the resources of the General Fund, as now established, will be found sufficient at all times for the support of the government without an increase of debt or taxation. There is an evident necessity, however, for economy in the expenditures; and I trust you will feel the importance of keeping the appropriations within the reliable means of the Treasury. In addition to the ordinary current revenues, the Comptroller's report exhibits certain balances due to the General Fund from arrears of taxes and other sources, from which it is believed the Treasury will realize over $ 350,000 within the ensuing two years. It is with special reference to this resource that I deem it expedient in the present communication to recommend some appropriations for new institutions and improvements, which are conceived to be essential to the public welfare.

The aggregate amount of the State debt, on the 30th day of September last, was as follows: —

Canal debt, ...	$ 16,171,109.16
General Fund debt, ...	6,359,693.32

A total of $ 22,530,802.48, exclusive of the stock loaned by the State to certain railroad corporations. It will appear from the report of the Commissioners of the Canal Fund, that the operations of the Sinking Fund are steadily reducing the Canal debt. The application of the Canal revenues in the manner prescribed by the State Constitution, will discharge the entire State debt now existing in the year 1868.

Our canals continue to yield a rich return. The amount received for canal tolls, including interest, rents, &c., during the last fiscal year, was $ 3,486,172.30, being a small increase upon the receipts of the preceding year. After paying all the expenses of superintendence, collection, and repairs, and $ 1,850,000 to the Sinking Fund and the General Fund, a surplus remained from the revenues of the last fiscal year of $ 800,206.49, applicable to the completion of the Black River and Genesee Valley Canals, and the enlargement of the Erie Canal.

Currency.

Our circulating medium is believed to be in a sound condition. The report from the Bank Department exhibits a large increase of banking capital under the general law, during the last year. The gradual reduction of our State debt makes it necessary that some other form of security should be accepted as a basis for circulation. I would respect-

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fully recommend the admission, under proper restrictions, of the stocks created by the incorporated cities of this State. In this connection I must invite your attention to the provision of the Constitution making it the duty of the Legislature to restrict the powers of cities in respect to taxation, assessment, borrowing money, contracting debts, and loaning their credit. The performance of this duty ought not to be longer deferred.

The growing importance of the Bank Department, the vast extent of its operations, and the peculiar responsibility attending them, render it important, in my judgment, that this department should be detached from the office of the Comptroller, already overburdened with duties, and erected into a distinct office, to be placed under the charge and direction of a competent commissioner.

LIFE INSURANCE COMPANIES IN NEW YORK.

From the Annual Report of the Comptroller of the State, January, 1851.

An intelligent citizen, who has given much attention to the subject, estimates that the amount paid by the people of this State to foreign corporations, in premiums for insurance on lives, within the present year, will exceed $ 500,000. When it is considered that the policies are a continuing contract, on which further payments are to be made every year during the life of the party insured, at the same time estimating the rapid increase in this branch of insurance, the Legislature can hardly fail to perceive the importance of adopting such safeguards as will afford to our citizens the security they seek, and for which they pay such ample equivalents. In making these suggestions, the Comptroller would not be understood as questioning the integrity of the corporations in other States which have established agencies here. That many of them are in the hands of honest and responsible managers, and are administered with the most upright intentions, he is well assured; but to assume that no exceptions will occur, would be to disregard all past experience. In some of the States, charters have been granted with great facility; the nature of the capital and investments is far below the standard required from similar corporations in our own State; and we must not forget that, with the best intentions, there is a strong temptation to divide, or appropriate, premiums received on subsisting policies, as profits actually earned. In case of default or controversy, whether arising from an improper diversion of the funds, or from unavoidable misfortunes, our own laws are inoperative, and it is not difficult to foresee cases in which the remedy of widows and orphans against a remote corporation, beyond our jurisdiction, would be difficult and expensive, if not wholly unavailing. It seems just and politic, therefore, that companies abroad, desiring to exercise the privilege of life insurance in this State, should be required to furnish such pledges and comply with such regulations as will insure the prompt performance of the obligations they may assume.

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BANKS OF NEW YORK.

The following list embraces all the Chartered Banks in the State of New York; showing the date of incorporation, the date of expiration of charter; the amount of capital; and the amount of circulation in December, 1850. (The fractional hundreds of circulation *omitted.*) *Carefully compiled, for the Bankers' Magazine, from the Annual Report of the Comptroller of the State of New York, December,* 1850.

Name of Bank.	*Date of Charter.*	*Charter will expire.*	*Capital authorized.*	*Circulation, Dec. 15, 1850.*
Bank of Newburgh,	1829, April.	1851, Jan. 1.	$ 140,000	$ 160,000
New York State Bank,	" "	" "	369,600	247,000
Bank of Genesee,	" "	1852, "	100,000	150,000
City Bank, New York,	1831, Jan.	" July 1.	720,000	367,000
Bank of America, New York,	1831, Feb.	1853, Jan. 1.	2,001,200	963,000
Bank of Geneva,	1829, April.	" "	422,000	320,000
Bank of New York,	1831, Jan.	" "	1,000,000	749,000
Bank of Troy,	1829, April.	" "	440,000	299,000
Butchers and Drovers' Bank, New York,	1830, "	" "	500,000	350,000
Catskill Bank,	1829, "	" "	125,000	174,000
Farmers' Bank of Troy,	" "	" "	278,000	225,000
Mechanics and Farmers' Bank, Troy,	" "	" "	442,000	300,000
Mohawk Bank,	" "	" "	165,000	136,000
Union Bank, New York,	1831, Feb.	" "	1,000,000	790,000
Jefferson County Bank,	1829, April.	1854, "	200,000	200,000
Merchants and Mechanics' Bank, Albany,	" "	" "	300,000	240,000
Onondaga County Bank,	1830, "	" "	150,000	175,000
Otsego County Bank,	" "	" "	100,000	150,000
Phenix Bank, New York,	1831, Feb.	" "	1,200,000	730,000
Bank of Albany,	1829, April.	1855, "	240,000	200,000
Broome County Bank,	1831, "	" "	100,000	150,000
Central Bank,	1829, "	" "	120,000	160,000
Mechanics' Bank, New York,	1831, Feb.	" "	1,440,000	747,000
Tradesmen's Bank, New York,	1831, Jan.	" "	400,000	300,000
Greenwich Bank, New York,	1830, April.	" June.	204,000	203,000
Hudson River Bank,	" March.	" "	150,000	174,000
Livingston County Bank,	" April.	" July.	100,000	150,000
Bank of Lansingburgh,	1832, Feb.	" "	120,000	160,000
Bank of Chenango,	1829, April.	1856, Jan. 1.	120,000	160,000
Ontario Bank,	" "	" "	200,000	200,000
Ontario Branch Bank,	" "	" "	300,000	219,000
Mechanics and Traders' Bank, New York,	1830, "	1857, "	200,000	196,000
Merchants' Bank, New York,	1831, Feb.	" "	1,490,000	906,000
Montgomery County Bank,	1831, March.	" "	100,000	150,000
National Bank, New York,	1829, April.	" "	750,000	333,000
Saratoga County Bank,	1830, March.	" "	100,000	150,000
Madison County Bank,	1831, March.	1858, "	100,000	150,000
Bank of Poughkeepsie,	1830, April.	" "	100,000	150,000
Ogdensburg Bank,	1829, "	1859, "	100,000	150,000
Yates County Bank,	1831, "	" "	100,000	150,000
Bank of Whitehall,	1829, "	" June.	100,000	150,000
Brooklyn Bank,	1832, Feb.	1860, Jan. 1.	150,000	175,000
Chautauque County Bank,	1831, April.	" "	100,000	150,000
Tanners' Bank, Catskill,	" March.	" "	100,000	150,000
Ulster County Bank,	" "	1861, June 1.	100,000	150,000
Steuben County Bank,	1832, "	1862, Jan. 1.	150,000	175,000
Schenectady Bank,	" April.	" "	150,000	175,000
Essex County Bank,	" "	" "	100,000	150,000
Bank of Rome,	" "	" "	100,000	150,000

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Name of Bank.	*Date of Charter.*	*Charter will expire.*	*Capital authorized.*	*Circulation, Dec. 15, 1850.*
Bank of Orange County,	1832, April.	1862, Jan. 1.	$ 105,660	$ 150,000
Bank of Salina,	" "	" "	150,000	174,000
Leather Manufacturers' Bank,	" "	" June 1.	600,000	449,000
Westchester County Bank,	1833, March.	1863, Jan. 1.	200,000	200,000
Troy City Bank,	" April.	" "	300,000	250,000
Seventh Ward Bank, New York,	" "	" "	500,000	350,000
Seneca County Bank,	" March.	" "	200,000	200,000
Lewis County Bank,	" April.	" "	100,000	150,000
Herkimer County Bank,	" March.	" "	200,000	200,000
Chemung Canal Bank,	" April.	" "	200,000	197,000
Cayuga County Bank,	" March.	" "	272,400	247,000
Albany City Bank,	1834, April.	1864, "	500,000	340,000
Bank of Orleans, Albion,	" "	" "	200,000	200,000
Farmers and Manufacturers', Poughkeepsie,	" "	" "	300,000	250,000
Highland Bank, Newburgh,	" "	" "	200,000	200,000
Sacket's Harbour Bank,	" "	1865, "	200,000	200,000
Atlantic Bank, Brooklyn,	1836, May.	1866, "	500,000	330,000
Bank of Owego,	" "	" "	200,000	200,000
Bank of State of New York,	" "	" "	2,000,000	806,000
Kingston Bank,	" "	" "	200,000	200,000
Oneida Bank,	" "	" "	400,000	300,000
Rochester City Bank,	" "	" "	400,000	300,000
Tompkins County Bank,	" March.	" "	250,000	224,000
Manhattan Company, New York,	1799, April.	*Unlimited.*	2,050,000	1,068,000
New York Dry Dock Company,	1825, "	*Unlimited.*	200,000	136,000
Totals,			$ 27,664,860	$ 20,669,000
The above banks are entitled to a circulation of				$ 22,161,000
Actual circulation less than authorized by law,				$ 1,492,000

Recapitulation of the New York Chartered Banks.—The number that expire each year; their Capital, Circulation authorized, and their actual Circulation, December 15, 1850.

Expiration of Charters.	*No. of Banks.*	*Aggregate Capital.*	*Circulation authorized.*	*Actual. Circulation.*
1851, January 1,	2	$ 509,600	$ 410,000	$ 407,549
1852, " 1,	1	100,000	150,000	150,000
" July 1,	1	720,000	500,000	369,330
1853, January 1,	10	6,373,200	4,645,000	4,305,944
1854, " 1,	5	1,950,000	1,575,000	1,495,427
1855, " 1,	5	2,300,000	1,610,000	1,556,852
" June,	2	354,000	378,970	378,378
" July,	2	220,000	310,000	310,000
1856, January 1,	3	620,000	610,000	609,870
1857, " 1,	5	2,640,000	2,000,000	1,737,502
1858, " 1,	2	200,000	300,000	299,983
1859, " 1,	2	200,000	300,000	300,000
" June,	1	100,000	150,000	149,887
1860, January 1,	3	350,000	475,000	474,999
1861, June 1,	1	100,000	150,000	150,000
1862, January 1,	6	755,660	975,000	974,877
" June,	1	600,000	450,000	448,928
1863, January 1,	8	1,972,400	1,797,400	1,793,877
1864, " 1,	4	1,200,000	1,000,000	939,936
1865, " 1,	1	200,000	200,000	199,995
1866, " 1,	7	3,950,000	2,775,000	2,361,098
Unlimited,	2	2,250,000	1,400,000	1,204,746
Total,	74	$ 27,664,860	$ 22,161,370	$ 20,669,178

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NEW FEATURE IN BANKING.

The Royal British Bank of London has announced to its customers its intention to issue, in cases where desired, promissory notes payable to their order, for any portion, or for the full amount, of the balances that may stand against their names, either in the shape of cash credits or drawing accounts. Thus, a person having £500 at the bank, bearing interest, and wishing to give security to some other person to that extent, might obtain at the bank promissory notes * to his own order, with which his account would be debited, and which he could then hand, unindorsed, to the person in question, to hold as a guarantee for any transaction between them, while the interest allowed by the bank would still accrue to the depositor. Other conveniences contemplated by the issue of these notes are, that they would answer for the purpose of remittance, in the same way as bank post-bills; and that they would also, under proper circumstances, be received by strangers, who would refuse a check, in the uncertainty of its being honored. The simple effect of the plan will be, that it will enable the depositors of the bank to carry negotiable evidences of those deposits at all times in their pockets, without losing the interest that is allowed upon them; and it is therefore an apparently unobjectionable experiment, although a novel one, to increase the advantages to trade which are constantly arising from the legitimate extension of banking facilities. — *London Times, Oct.* 4.

The bank circular is subjoined: —

Royal British Bank, October 1, 1850.

Sir, — With the view of affording depositors with the Royal British Bank the means of making their deposits therein available and useful to them at all times and in all places, either for the purpose of immediate payment or of guarantee for the performance of future obligations, the Court of Directors have resolved to avail themselves of the privilege of their charter, by which, pursuant to the statute, they are empowered to make and issue promissory notes on behalf of the Corporation. They intend these notes for the use of such depositors as may prefer the same to the ordinary pass-books, or of any other persons who may desire to purchase such bills for remittances or other objects in business. The notes will, at the option of the depositor or purchaser, be for any sum in pounds not under five, and payable at any date not exceeding six months to the party receiving the same, or his nominee, and to the order of the nominee. They will be transferable by indorsation, and, of course, negotiable; and the Corporation may, under the statute, "be sued thereon as fully as in the case of any contract made and entered into under their common seal." They will be on interest, or the same will, at the option of the depositor or purchaser, be paid in advance at the date of issuing. The rates, for the present, and until further notice, will be, from all periods from two to four months, 1 per cent.; from four to six months, 2 per cent.; and for six months, 3 per cent. *per annum*; and on all notes of six months, and for sums of £100 and upwards, the stamp duty will be paid by the bank.

Hugh Innes Cameron, *Manager.*

* This is, in fact, nothing more than issuing Certificates of Deposit, payable to order, and bearing interest until redeemed. — Ed. B. M.

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DISCOVERIES AND IMPROVEMENTS OF THE PAST HALF-CENTURY.

From the New York Evening Post.

Among the most remarkable contributions that science has lately made to the arts are gun-cotton, an explosive material, much cheaper, and quite as effective for many purposes, as gunpowder; sulphuric ether and chloroform, those compounds which have the singular property of suspending the sensibility of the nerves to pain; the various photographic processes, made known by Daguerre, Niepce, Talbot, and others, wherein the sun becomes the painter of pictures, and the thousandfold objects of nature are delicately preserved on imperishable tablets; and again, the innumerable methods of gilding the coarser metals with those which are more rare and valuable, which are imparting so much elegance and grace to many kinds of useful art.

It would be quite impossible to refer, even in the briefest manner, to the improvements that have been made, during the last half-century, in all departments of human industry. The machines for economizing time and expense, and for facilitating the different processes in agriculture and manufacture, are numberless. Patents issued from the office at Washington alone amount, since A. D. 1800, to over fifteen thousand,—the greater part of which, it is supposed, have gone into successful operation, and in one way or another abridged the labor of human hands. Every year increases, by an accelerating ratio, the number of these contrivances and inventions. In fact, mere mechanical implements promise to dispense altogether with the fatiguing and wearing kinds of human agency. The consequences of this to society are incalculable, not only in the way of cheapening products, but in relieving laborers from oppressive and degrading toils.

In spinning cotton, Bains informs us that one man can now produce as much yarn as twenty-five thousand three hundred men could have done under the old systems. "This machine-spun yarn," says Dr. Ure, "possesses a more uniform twist, and is, in every respect, superior to hand-spun yarn." As in spinning, so in weaving. One water-wheel, or engine, will set one thousand looms at work. One of these looms will make about as much cloth as four looms worked by the hand; one female superintends several looms, merely to supply full bobbins, and mend threads that happen to break in the process of weaving.

"Nails," says Dr. Ure, "are now manufactured with little or no aid from the human hand." "The making of nails," he continues, "is no longer a handicraft operation."

Not long ago, breadstuffs were ground in a hand-mill. Two men might be able, with great labor, to dry and grind a bushel of grain in a day. Now one water-mill will turn out one thousand bushels in twenty-four hours. In book-binding, a machine has been recently invented by an Englishman, named Hancock, which dispenses entirely with the operation of stitching, sewing, sawing-in and hammering the back, or the use

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of paste and glue. Calico-printing was long a tedious handicraft operation. It is now performed by cylindrical machines revolving with the rapidity of light. In manufacturing steam-boilers, much of the labor is now performed by machinery. Thus we see the iron monster, like other monsters, has the faculty of reproducing itself.

"Machinery," says Dr. Ure, "is ready to accomplish every thing in the manufacture of hats." In rope-making, the machine has taken almost entire possession. The recent improvements enable four or five men to do the work of ten times that number of regular hands.

A machine for making brick is now at work in Washington. It can mould thirty thousand bricks by the power of a single horse. These are turned out perfectly dry, — ready for burning. At several points on the Hudson, machines are in operation for the purpose of preparing clay for bricks, — a laborious process, that used to give employment to great numbers of laborers. Even bakers are not safe, for a powerful kneading machine is coming into extensive use in England.

Two thirds of carpenter-work and ship-building are now performed by machinery. The letter-press printer belongs, almost, to a past order of things, and machinery is even trying its hand at type-setting. In currying leather, they use a machine which actually makes one hide into two. Heavy cloth garments of an elegant style are now made in England by the hatting process, thereby dispensing with the thimble and shears. Steam-coaches now navigate the streets of London, to the great dismay of cabmen, — the very scavengers are jostled out of the way by the same power, — and while the Yankee Paddy moves the hill with all the ease of a Titan, the same power is hard at work in another quarter cutting out the precise machinery of Yankee clocks. It is reported, also, that one can be taught to draw in admirable perspective, by a simple machine; and that even the cunning of the sculptor is no longer secure from mechanical invasion.

These results are threatening enough to the temporary welfare of the artisan and the laborer, but it has been proved that in the end they are a vast benefit, not merely to society itself, but to those who, in the outset, are molested and almost destroyed by their success. By cheapening products, and creating demands for industry in new directions, they aid the progress of society and extend the means of human well-being.

But the grandest triumphs of inventive genius, during the last half-century, have been achieved within the province of Commerce. The plank road, the canal, the steamboat, and the railroad, are all the products of the last few years. At the close of the European wars of the last century, with the exception of a few military roads inherited from the Romans, and the roads of the same class constructed by Napoleon, the means of communication between distant parts was almost confined to inland seas and the larger rivers. It is for this reason that the maritime cities and provinces attained such disproportionate wealth. The want of modes of transit imposed insuperable obstacles to internal commerce; such roads as they had were impracticable, and the constant recurrence of desolating wars diverted the minds of both princes and the people from this most important element of civilization.

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Arthur Young, who travelled in Lancashire (England) in 1770, has incidentally given an account of the state of the roads at that time, and his description will answer for all the roads both of England and the Continent. Our own country was scarcely born, and of course had no roads. Young says,—"I know not, in the whole range of language, terms sufficiently expressive to describe this infernal road. Let me most seriously caution all travellers who may accidentally propose to travel this terrible country, to avoid it as they would the Devil, for a thousand to one they will break their necks or their limbs by overthrows or breaking down. They will meet with ruts, which I actually measured four feet deep, and floating with mud only from a wet summer. What, therefore, must it be after a winter. I passed three carts broken down within three miles of execrable memory."

The time consumed by common carriers over such routes is, now-a-days, incredible. The postman from Selkirk to Edinburgh, a distance of less than forty miles, was always a fortnight in going and returning. For years, after the beginning of the present century, the mail time between this city and Albany was eight days. Emigrants to the Genesee Valley, only twenty years ago, were sometimes twenty days in reaching their new purchases. There is a book still extant, written by a lady, within the memory of middle-aged persons, to describe a perilous journey she made from Boston to New York. Similar instances might be adduced without end.

Even as late as 1835, there were only seven coaches that ran daily from the capital of England to that of Scotland, and until several years within the present century, the internal transport of nearly all the trade of Great Britain was performed by wagons, at the slowest rate, and at an enormous expense. The charge for carriage averaged about fifteen pence, or thirty cents, a ton, per mile. Of course, all bulky articles were excluded from exchange. These articles are now carried over the same ground, the same distance, at the rate of a penny, or two cents per ton. The speed of the wagons, then, did not exceed twenty-four miles a day; steam-cars now run thirty miles the hour.

Canals were known to the ancients, and have been used in a small way by all civilized nations, but especially in Holland, for many years. But the world did not fully awake to their importance, until it was aroused by the vehement enthusiasm with which the State of New York, in 1817, entered upon the project of the Erie Canal. Since then, thousands upon thousands of miles of canal have been made by England, France, Russia, Sweden, and Belgium, as well as by our own country.

The invention of steamboats for river navigation, and of locomotives for railroads, has superseded canals, and invested them with an air of antiquity. It was only in 1807, that Fulton put his first vessel on the Hudson, and now our rivers, our lakes, our vast inland seas, and the ocean itself, are covered with steamers, while the entire surface of Europe and North America is reticulated with net-works of iron, in which iron-ribbed and flame-breathing monsters whirl enormous loads of freight and multitudes of passengers, with the rapidity of the bird's flight! The capital invested in finished railways alone was estimated, in 1849, at

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£368,567,000, while the railways in progress required £146,750,000 more! Add to this the nineteen hundred steamboats in America, the one thousand in England, and the several thousands of other nations, and we shall get some idea of the incalculable, yet silent revolutions which have sprung from a simple series of inventions, which almost any child can comprehend!

Yet more astonishing than the railway is the magnetic telegraph, whose exploits are literally miraculous, annihilating space and anticipating time. The extremities of the globe are brought into immediate contact; the merchant, the friend, and the lover converse with whom they wish, though thousands of miles away, as if they occupied the same parlour; and the speech uttered in Washington to-day may be read at St. Louis an hour *before* it was delivered. Could the wires be extended around the globe, we should be able to hear the news one day before it occurred. Surely, in view of such results, the gas discoveries of Mr. Paine, or the aerial machines of Mr. Wise, seem not only possible contingencies, but unavoidable necessities!

THE ORIGIN OF USURY.

By Professor A. de Morgan, of University College, London.

From an elaborate article, entitled "On some Points in the History of Arithmetic," in the British Almanac and Year-Book, published by the London "Society for the Diffusion of Useful Knowledge."

The question about the introduction of the word *interest* into arithmetic, seems to differ from the former, in never having had any attention paid to it. The word is used in several senses: but which is the original and which are the derived ones, has never been asked, so far as we know, by the arithmetician or the canon lawyer; though the first ought to have asked it, and the second could have answered it.

Usury, or the receiving of money as a compensation for money lent or payment deferred, is supposed to have been unequivocally condemned by the Mosaic law; as in Exodus xxii. 25, "If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury"; and in Leviticus xxv. 35, "If thy brother be waxen poor..... then thou shalt relieve him;..... take thou no usury of him or increase;..... thou shalt not give him thy money upon usury, nor lend him thy victuals for increase"; and in Deuteronomy xxiii. 19, "Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals;..... unto a stranger thou mayest lend upon usury." In a state of things under which money could not usually be employed productively, but in which every man lived on his own land, a borrower would always be a distressed man, and the above precepts seem to contemplate that he would be as likely to ask for food as for

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money. In such a case, usury would be a barbarity;* and it is to be remembered that the rates of usury prevailing in ancient times were very high. Aristotle grounds his declaration against usury upon this asserted unproductive character of money, from which, he says, it is against nature to take interest. Accordingly, the distinction between money lent for relief of distress, and money advanced that the borrower might improve it, was not contemplated either in ancient times or in the laws of the Middle Ages; all usury was strictly forbidden, and the name of it became odious. So far was this carried, that Alexander de Nevo, doctor of law, in his treatise "Contra Judeos Fenerantes," printed in 1478, declares that he would not permit even a Jew to lend at usury, though it were to save a Christian from starving. The distinction between money lent to relieve distress, and money lent to be profitably employed, was condemned by the Catholic writers, and supported by the Protestants. Molinæus maintained the difference, and Alsted. (See Scaccia *de Commerciis*, 1648, p. 69; and Alsted, *Encycl.*, Vol. III. p. 124.) Accordingly, the earlier books of arithmetic have little or nothing to say upon interest, particularly when written by clergymen. Neither Tonstall nor Clavius (A. B. 1522, 13; 1583, 104) make any reference to it. That it is hardly mentioned by Recorde and other writers of the time of the Reformation depends upon another circumstance, the very great simplicity of the rate of interest in use, usually ten per cent. One instance would be enough for illustration of taking the tenth part of a sum of money; particularly as fractions of years were seldom or never considered. It is more to the purpose that even treatises on book-keeping do not recognize it. In Mellis (A. B. 1588, 27) one account in the leger is created by a sum lent in ready money, which sum is repaid without interest.

In almost all the books of the sixteenth century there appears a class of questions which seem to indicate a method employed among merchants of evading direct usury. A man lends to his friend £ 145 for sixteen months; when the latter is asked to return the favor he can only command £ 94; how long ought he to lend this last sum in requital of his own obligation?

The word *interest* was known to the law, in the sense of usury, before it was to be found in arithmetical books. In the statute 37 Hen. VIII. c. 9, it is forbidden to take more than ten per cent. for forbearance of payment "by way or mean of any corrupt bargain, lone, eschange, chevisance, shift, interest of any wares." But the act is not to extend to "other than in cases of usury, interest, corrupt bargains." This act was repealed by 5 and 6 Edw. VI. c. 20, which forbids all "usury or increase." It was revived† by 13 Eliz. c. 9, which recites that usury

* It has been contended that these laws are a part of the political, and not of the moral, system of the Pentateuch. Against this it may be proposed for consideration, that the case contemplated is something like that of lending at twenty or thirty per cent. to a man who must spend the loan in buying food to remove casual distress, and whose ordinary means are not great enough to reduce the accumulations of such a rate. Nor does the permission to lend at usury to a *stranger* of necessity make the precept political; it may be that the stranger was contemplated as being a *merchant*, an improver of money.

† It seems to have been revived that it might be put to death in another form by additional provisions; but this we have nothing to do with. None of the statutes authorize

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had increased by way of sale of wares and shifts *of* interest. This last phrase occurs twice, once misprinted "*ships* of interest," in the statutes at large; and afterwards the word *shift* is used where we might expect the word *interest*. Whether this *shift of interest* mean any thing which can now be explained, we must leave to legal antiquaries; it is enough for our purpose that we show the word *interest*, in connection with usury, to be older in law than in arithmetic. This is confirmed by R. Witt, before cited, in whose title-page the word does not occur, and in whose preface nothing but "allowance for forbearance." But in his first page he speaks of "1. per 10. per terme, gain, and gain upon gaine. . . . . Or (as commonly men speak) 10. per 100. per ann. interest, and upon interest." Having thus introduced his reader to the word, he uses it freely. Forbearance still was the legal word, even beyond the time of James the First.

But we must not merely look to England, since the word was established in France as early as here, and afterwards in Italy and Germany. Interest, *interess*, *quod interest*, *interesse*,* was known to the Roman, and thence to the modern civil and canon law, in the older sense which it still retains, as that of a something belonging to. And this use, even in English law, is far older than the meaning above discussed. But this original use of the word is not immediately explicable in its application to interest of money as distinguished from principal; for the creditor's interest, in the genuine sense, equally includes the *usury* and the returnable principal. If the word had been derived from the creation of a perpetual annuity, such as our national debt, in which the original creditor looked upon repayment as a distant contingency, and as rather a redemption of the annuity than a return of the principal, then the genuine meaning of the word *interest* could more appropriately have been applied to the annuity. But how comes a word which included both the loan and the profit of it to stand for the latter only?

When the word *usury* was found too offensive as well as dangerous, it was natural that more gentle terms should be substituted for it. As the word was said in Hebrew to mean that which *bites*, some writers distinguished unlawful usury by the phrase *biting* usury; one of the statutes

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usury, except as implied in forbidding more than a given rate under penalties. It was considered as against the law of God throughout the seventeenth century; but the necessities of commerce prevailed over all profession. Gerard Malynes, in his *Lex Mercatoria* (first published about 1622), says, "We have usury like a wolf by the ears, dangerous to be kept, and more dangerous to abandon the same."

* This word is declined as a substantive in a charter cited by Ducange *in verb.* — *carta quam fecit de interessis Episcopi.* Shakspeare uses the word *interest* often. But in the Merchant of Venice, it is worthy of note that the Jew, who lives by it, calls it *usance*, while Antonio, who despises it, calls it *interest*: —

> "He lends out money gratis, and brings down
> The rate of usance here with us in Venice.
> . . . . .
> And he rails
> Even there where merchants most do congregate
> On me, my bargains, and my well-won thrift,
> Which he calls interest."

It would seem, then, as if the word was one in common, as well as legal, use, before it became arithmetical.

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distinguishes illegal usury by the word *corrupt*. At first, in law, interest and usury seem to have been words of much the same color; afterwards, legal usury only was interest. The Protestant writers generally did not care to make the distinction at first, and there is not much allusion to it. But sometimes there is such a thing, as in the following extract from the poetical opening to Webster's Tables (A. B. —, 40), probably published in 1605: —

> And though in Interest thus thou deal'st, thou not approu'st at all
> Of vsurie, which may (for thee) beneath iust censure fall.
> Thou not conclud'st such contracts made are lawfull yea or no,
> But truly to performe the same (by parties both) dost shew.
> In, onely this, thou art a guide, but else, as is most fit,
> Thou to the guidance leauest all of grace and holy writ.

In England, we had usage, increase, forbearance. In Italy, even in the fifteenth century, Pacioli (A. B. 1494, 2) found the words *merito* and *meritare* (desert or earning) established. The same word was used by Ghaligai in 1521 (A. B. —, 102), but his chapter on the subject has no head-word at the tops of the pages, as is the general rule of his book: probably he thought there was no occasion to advertise what he was doing. Sfortunati (A. B. —, 16) heads his chapter boldly *delle usure*, which he says people call *meriti*, as if it were a virtue. He then proceeds to give his rules by way of warning against these *meriti* or *dannamenti dell' anima*, and having thus discharged his conscience, he is only the arithmetician thenceforward. By the time of Tartaglia (A. B. 1556, 21) usury had been referred to *compound* interest, and all were not prepared to admit so much (Lib. XI. p. 190).

It appears with tolerable clearness, on inquiry into the immediate derivation of *interest*, that the term was skilfully borrowed from one of the permissions of the canon law. Long before *interest* was used in the modern sense, Matthew Paris (cited by Ducange) adverted in one sentence to *usury*, penalty, and *interesse — usuras, pœnas, et interesse* — as all connected together. The connection is thus traced. The principal * circumstances under which receipt of money in return for a loan was *not* usury were as follows: — First, where the money so paid was *pœna*, a fine stipulated for in the event of the debt not being paid at a fixed time: but evasion was guarded against by making it essential that neither lender nor borrower should have reason to think it unlikely that the money would then be paid. Secondly, where the money so paid was either *interesse damni emergentis* or *interesse lucri cessantis*, that is, compensation to the lender for some loss accruing, or gain ceasing, to him, in consequence of the loan. Thus, if a person by lending his money was unable to pay a tax, and incurred a penalty, the borrower might pay the penalty, or *damnum emergens*, without imputation of usury upon the lender. In order to secure this result, it was necessary that the loss or cessation of gain should have become certain before the contract

* There is one which we omit, as irrelevant, but mention in a note as curious. Will it be credited that not a few theologians, while declaring against usury because it was forbidden by the Mosaic law in the terms above quoted, maintain that the risk of loss from the poverty of the debtor removes money paid on that account from under the definition of usury?

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or understanding about the *interesse* was made. One case, however, of the *lucrum cessans* was in itself enough to legalize the whole practice of interest. If a man could and would have bought annual rents* or returns of any kind, which, however, he did not buy, or of which he deferred the buying, that he might make a loan, the borrower might pay him those rents without usury. That is to say, any thing which a man could and would have made of his money in another quarter he might without usury take of his borrower. Hence the origin of our word *interest*, as the *interesse lucri cessantis*. The obvious difficulty of prohibiting usury under so easy a mode of evading it did not escape notice: it was said that a professed money-lender had only to have on his hat and cloak, and to be going into the market, to make it impossible of detection. To this the reply was, that the gain the money would make must be a certainty, which could not be said of the sum for which the usurer had the investment yet to seek. But it had been admitted that even an uncertain gain might be estimated by a proper arbiter, and adjudged to be the *lucrum cessans* of the particular case; and common sense would tell any one that profitable employment for money, in the shape of yearly returns, could always be obtained in land or houses. For these and other reasons, a much less willing assent was given by the lawyers to the *lucrum cessans* than to the *damnum emergens:* the former was considered much nearer to usury than the latter; probably none but a canonist ever had any clear notion of the difference.

The end of all these distinctions, and the marvellous minuteness and precision of the cases (some of the canonists expressly lay it down that a yearly *loss* is not usury in the loser), made it practically useless to carry a case into the ecclesiastical courts, to which the jurisdiction over usury originally belonged.

A. De Morgan.

University College, London,
Oct. 7, 1850.

The Bank of England. — The state of the Bank of England, as we have observed on former occasions, is the best index we can have, under present circumstances, of the general commercial condition of the country. The state of trade is reflected in its weekly returns; and whatever objection may exist to the publication of these returns in times of panic and distrust, there can be but little doubt but that they are essentially serviceable to our bankers and merchants, by enabling them to watch the gradual changes in the bank's account, instead of being surprised by sudden alterations in the rates of discount made by the Directors without any intimation to the commercial public to prepare for the change until it actually occurred. — *European Times.*

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* "Ut cum quis paratus habet pecunias ad emendos redditus annuos, qui venales sunt, nec emit, ut indigenti et roganti dictas pecunias mutuet: quo casu sine dubio licet pacisci circa quantitatem, quam haberet ex annuis redditibus." Bassus, *Biblioth. juris canonico-civilis* (in voc. *usura*), Vol. IV. p. 429. See further Scaccia *de Commerciis*, p. 166, &c., where the question is argued on both sides at great length, but so as much to enforce the derivation here given of the word in question.

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THE GOLD QUESTION IN EUROPE.

From the London Observer, January 5.

CALIFORNIA is working its effect upon the "money market" of the world. It is not two dozen days since the "medium" of circulation in Holland was changed from gold to silver, in consequence of the disparity that exists between the quantity of these metals now known to be in existence, the proximate cause of the rejection of the former being the extra quantity produced principally in California. Belgium has either "done likewise," or intends to do so almost immediately; and France already takes measures to "follow in the wake" of these examples. England, therefore, is the only commercial country in Europe of any note wherein gold is the "legal tender," and to England consequently the stream naturally and necessarily flows, as the result of the inexorable laws of commerce. It is almost certain that the production of gold has been trebled within the past ten years; and as there is no setting any bounds to its further increase, it becomes an inevitable duty to look the question of consequences in the face at this moment.

In the year 1840 the production of gold was £ 1,290,000; in 1848, prior to the discovery of California, it was £ 4,160,000 (the whole increase having arisen in Russia); but in 1850 it was £ 14,190,000, of which no less than £ 10,000,000 was contributed from the entirely new source, — California. During the same decade, or full period of ten years, however, the production of silver was infinitely smaller; for while in 1840 the aggregate of that metal in circulation amounted to somewhat better than six millions and three quarters sterling (£ 6,852,274), in 1850 it had only increased to little more than seven millions and a half (£ 7,610,000). In other words, £ 757,726 alone from that source was added to the metallic wealth of commerce. The increase of gold having therefore been so much greater than the increase of silver, and every appearance tending to establish the fact that it will be still greater than it has been, it was natural that nations less wealthy than England, or less hampered with engagements arising out of her commercial position, should take the alarm, and endeavour to equalize their medium. Hence it is that Holland and Belgium, and doubtless France, have adopted silver, as the metal least fluctuating in present value, for the standard of their respective circulation.

But the effect of this change has been felt in England in a form not generally expected. Though it was held certain by many that the action of the Californian discoveries would be to cheapen the price of gold, relatively speaking, or, in other words, raise the prices of produce and labor, — still it was not clearly anticipated that it would have created that paradox which has been practically propounded within the last few days, namely, an increase in the value of "money," as contradistinguished from "gold," with a superflux of "gold," as contradistinguished from "money," in the cellars of the Bank of England. The last weekly returns of that establishment show gold, "coin and bullion," in its pos-

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session, equivalent to £ 14,300,053, more than a million over the quantity of the same metal held in that year of general abundance, 1846, when it was only £ 13,154,183 in amount; and yet the trading community, not in the secret of "cause and effect," have been frightened out of their wits by the fact that the bank has "placed the screw" on its issues — restricted, in short, its accommodation — by raising the rate of interest to three per cent. A sort of petty panic has supervened upon this proceeding: stocks have fallen in price, money has risen in value; and the evil it is calculated to produce, though perhaps not very extensive, is still considerable. What, then, is the explanation of this paradox?

A comparison of the condition of some of the chief banks of issue in Europe, will be necessary to the elimination of the facts in reply to this question. In May, 1848, the amount of bullion held by the Bank of France and its branches was only £ 3,873,000; recently, however, it has exceeded £ 18,000,000; and in that great increase there is no doubt gold and silver have been received indiscriminately. Again, in the Bank of Holland, where till lately gold and silver were a legal tender, gold had accumulated to the amount of £ 4,250,000; and, at this moment, notwithstanding the recent change of the law, the gold there is still held to the amount of £ 2,500,000. Finally, in the State Bank of St. Petersburg, though its notes are payable only in silver, yet a large portion of the £ 20,000,000 to £ 22,000,000 of bullion held by that establishment has always been in gold. It is clear, therefore, under these circumstances, from the monetary history of the past years, that so long as gold and silver continued to be received indiscriminately by these establishments at fixed relative rates, — so long as the large reserves of bullion held by them from time to time were allowed to consist of varying proportions of gold and silver, — so long the actual aggregate quantities of each might fluctuate very materially without producing any perceptible change in the relative values of these metals. The reserve of silver bullion in the Bank of England has never borne any large proportion to the quantity of gold on hand, because of the latter being the "standard" of the currency in which alone all obligations over "forty shillings" in amount are legally payable; but, nevertheless, under the terms of the act of Parliament conferring upon that institution its powers and privileges, one clause of which entitles it to retain silver to the extent of one fourth of the value of the gold bullion in its possession, it has constantly, up to a very recent period, held a large quantity of that metal in reserve. On the 12th of Sept., 1846, for example, that establishment held in the issue department bullion to the amount of £ 15,864,960, which consisted of £ 13,154,883 in gold, and £ 2,710,077 in silver. At the beginning of 1850, however, while the bank held bullion in the issue department amounting to £ 16,238,310, £ 15,961,233 of this sum was in gold, and only £ 277,077 in silver; thus showing that while £ 2,433,000 had been withdrawn from the bank reserve in silver, £ 2,707,000 had been added to it in gold. This, however, effected no change in the value of money, as such, for the purposes of commerce in this country; because, up to that time — indeed up to within the last few days — the *status quo* as re-

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garded the relative value of gold and silver continued, from the causes just recited, to be the same. But the moment that Holland commenced to "take the initiative," and convert her reserve of £4,250,000 of gold into silver, so considerable a demand for the one metal in exchange for the other occurred, both in London and Paris, that silver began to rise in England, and gold began to fall on the Continent. The result of this was the "turn" of the agio, or exchange, against England, and the conviction that Belgium and France would speedily follow in the same course, combined with this sudden "turn," gave a considerable shock to the money market of the world. To meet the difficulty thus created, the Bank of England adopted the only course, perhaps, left open to it, namely, it increased the value of money by raising its price for "accommodation"; and hence the reaction that has taken place in the value of all direct representations of value, such as stock, shares, &c. How long this state of things shall continue is the final question to be resolved, in connection with this branch of the subject.

The production of what are called the "precious metals" as a whole — namely, gold and silver — having been more than doubled since the discovery of the mineral wealth of California, it only remains to approximate, in so far as it may be possible, to the future rate of their increase. Accurate data are, no doubt, wanting in this instance; and the best result that can be obtained must, therefore, be necessarily imperfect. It is, however, certain, to begin with, that if their production is to continue at the same ratio, and in the same proportion to each other, as in 1850, a permanent change must take place, both in the fixed relative value of the two metals, as well as in their combined value as regards their relation to other commodities. There is, however, no reason, arguing from analogy, to suppose that, at least for some years to come, supplies, equal at least to those of 1850, will not be annually derived from existing and new sources. If such, then, prove to be the case, and if the quantity of silver produced shall continue as stationary as it has absolutely done of late years, then there can be little or no doubt that a closer approximation must take place between the values of the two metals. Already, indeed, the value of gold in commerce has fallen in practice by its rejection as a standard circulating medium for the currency in one great commercial country, Holland; and though an artificial system upholds the nominal price in England, it is a system that must be changed at once, or it will either change itself by setting the law at defiance, — Peel's Banking Act, — or end in almost inconceivable injury to the mercantile and trading community. Hence it is not to assume too much, that the condition created by the recent operation of the Bank of England is one likely to be permanent, if not in form, most certainly in substance; and that "accommodation," in point of fact, is, from the present period of time, never likely to be "ruled" any lower than it is at this moment.

The effect upon individuals, of this state of things, may be, indeed must be, disastrous in a geater or lesser degree; but it is demonstrable that its effect upon the country, as a whole, will be decidedly beneficial.

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A PRACTICAL TREATISE ON BANKING.

By J. W. GILBART, Esq.,
General Manager of the London and Westminster Bank.

PART I.—OF PRACTICAL BANKING. Section I. The Nature of Banking. II. The Utility of Banking. III. Banking Terms. IV. The General Administration of a Bank. V. The Administration of a Bank with Regard to Proceedings on Bills of Exchange. VI. Employment of Surplus Funds. VII. Seasons of Pressure. VIII. The Bank Act of 1844. IX. The Bank of England. X. Joint-Stock Banks. XI. The Administration of the Bank.—Clerks, — Duties, — Salaries, — Promotions, — Discipline, — Training. XII. Bank Book-keeping. XIII. Banking Calculations. XIV. Banking Documents, — Bonds, — Letters of Credit, &c.

SECTION X. — The Administration of Joint-Stock Banks, with an Inquiry into the Causes of their Failures.

Continued from page 673, February No.

The branch system secures a better system of management. The only way to secure good management is to prevent the formation of small banks. When banks are large, the directors are men of more wealth and respectability; they can give large salaries to their officers, and hence can command first-rate talent; there will be a more numerous proprietary; and in a large number there will be always some active spirits who will be watchful of the conduct of the directors and the manager; besides, in a numerous proprietary there is a greater number of persons eligible to be directors, and consequently there is a wider choice. In populous cities, such as London or Manchester, a large bank may be formed without branches; but in smaller places there is no way of forming a large bank but by giving it branches throughout the district. A branch bank in a small town will probably be better managed than an independent bank in the same place. The directors and manager of the branch will be appointed by the directors at the head office, assisted by the general manager, who are very competent to judge what qualifications are necessary for these offices, and who would not be biased by local partialities. But the directors of the independent bank would most likely be self-appointed, or chosen by the proprietors, because no others could be obtained, and these directors would appoint some friend of their own to be manager. The manager of the branch, besides the superintendence of the directors, which he has in common with the manager of the independent bank, will be subject to visits from the general manager or the inspector; and he must send weekly statements of his accounts to the head office. The consciousness of responsibility will thus secure a more anxious attention to his duties; and, besides, he will probably be looking forward for promotion to a higher branch as a reward for his successful management. These circumstances seem to insure a higher degree of good management to the branch.

At the same time, it must be admitted that banks with numerous branches require a proportionate paid-up capital, and that the capital be

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kept in a disposable form; it also requires vigilant and constant inspection, and a rigid system of discipline.

A proportionate paid-up capital is necessary, because, in case of a run, there are a greater number of points of attack; hence the funds must be divided to meet all these possible attacks, for if one branch be overpowered, the whole bank is immediately exposed to suspicion.

Another danger arises from the incompetency or negligence of the managers of branches. Among a number of men, it is not likely that all are clever, and all prudent; and one case of neglect on the part of one manager may, in times of alarm, throw discredit on the whole establishment. Besides, there is sometimes danger even from the zeal of the branch managers. Each manager is naturally anxious to increase the business of his own branch; and he will perhaps find that the most easy way of doing this is to extend his loans and discounts. Hence each manager tries to employ as much capital as he can; and the urgent remonstrances he receives from head quarters, requiring him to restrict his discounts, are either evaded or delayed. Thus the bank proceeds until some heavy demand for money arises at head quarters, and it is then found that all the capital of the bank had been absorbed by the branches. These advances cannot be suddenly recalled, and thus the bank may be ruined.

What number of branches a bank ought to have, and what distance they ought to be from the head office, have been the subject of much discussion. No general rules can be given. The subject may very safely be left to the discretion of the banks themselves. Several of the banks in Scotland have from thirty to forty branches. The Provincial Bank of Ireland, whose head office is in London, have branches spread all over Ireland. I am not aware that in these cases any danger or inconvenience has been experienced. When branches are found troublesome or unprofitable, they will very soon be discontinued. In some instances, even in Scotland, the branches of the larger banks have been withdrawn in consequence of being unable to sustain a competition with the local banks of the district.

Had the act of 1826 permitted joint-stock banks of issue to be established in London, we should probably by this time have had ten or a dozen banks having their head quarters in London, and extending their branches throughout the country. But as the law prohibited joint-stock banks being established within sixty-five miles of London, it necessarily gave rise to banks occupying particular districts in the country. The advantages which are alleged to belong to the district system are the following: — That the bank will be better adapted to the wants and habits of the people; that a local feeling will be excited in its favor, hence the inhabitants of the district will take shares, and the occurrence of runs upon the bank will be less probable; that a better system of management may be expected, as it can more easily be governed, and will be more under control; that a panic in the district will not affect the other parts of the country, and hence supplies may be more easily obtained; that banks will be of a moderate size, and hence will be attended with the advantages arising from numerous banks acting as checks upon each other, instead of a few large banks who may combine for objects injurious to the nation;

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and that as each bank will have an agent in London, the bills they draw will thus have two parties as securities, and the public will have a pledge that there is no excessive issue in the form of kites or accommodation bills. On the other hand, it may be contended, that in Scotland the large metropolitan banks which have branches extended throughout the country, have generally been more successful than the provincial or district banks; that there is a greater security to the public for the notes or deposits; that advances are not so likely to be made to speculative parties merely on account of their local influence; that the capital raised in one part of the country can be employed in another; that the transmission of money from one part of the country to another is more rapid and direct; that the establishment of the bank, being on a larger scale, you have a superior class of directors, and can command the services of higher talents in those who are employed as officers.

It does not appear that these two systems are necessarily at variance with each other. County or district banks have no doubt many advantages, but they do not seem to supersede banks on a larger scale.

VI. Joint-stock banks have an annual meeting of shareholders, to whom is usually exhibited a balance-sheet showing the assets and liabilities of the bank.

All banks do not exhibit a balance-sheet. The practice is said to be open to the following objections: —

1. That it is not a fair criterion by which you can form any judgment of the real condition of the bank. You might see that the bank had a certain amount of securities, or had advanced a certain sum upon loans; but whether those securities were available, or whether those loans could suddenly be called up, are points upon which the balance-sheet could give no information. The Agricultural and Commercial Bank of Ireland published a very satisfactory balance-sheet a few weeks only before they stopped payment.

2. It lays the bank open to attacks from its rivals or opponents. The balance-sheet will show in what way the funds of the bank are employed, but it will not state the reasons why they are so employed. The opponents of the bank may attack every item of the balance-sheet, and the directors may not be able to repel those attacks without a breach of confidence that would be injurious to the establishment. Suppose, for instance, the balance-sheet should show that the bank had advanced a few thousand pounds upon mortgage. This might be justly considered as a departure from the sound principles of banking; yet it might in this case be justified by some peculiar circumstances, which, nevertheless, the directors could not publish without serious injury to the parties concerned. The production of a balance-sheet is advocated upon the ground that it would enable the shareholders to judge of the ability and prudence of the directors. But how can they do this without knowing the reasons by which the directors are influenced in their decisions?

3. It causes a great deal of speculation in the shares. The shareholders and the public would form their opinions of the bank from the statements in the balance-sheet; and according to these opinions the price of the shares would fluctuate in the market. Suppose it were seen that the

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bank had invested a large portion of its funds in government securities, and it was known that during the year the price of those securities had experienced a considerable fall, would not the bank shares immediately fall too? Again, suppose at the end of a year like 1836, it should appear that the bank held a considerable amount of overdue bills, the apprehension of loss would cause the bank shares to fall; soon afterwards these bills might be paid, and then the shares would rise again. Thus, the publication of balance-sheets would keep the prices of shares in perpetual fluctuation, and furnish a most fruitful source of speculation and gambling.

4. It is perfectly inefficient as a protection against fraud. The balance-sheet, it seems, is to be a check upon the directors, and yet the directors themselves are to prepare the balance-sheet. They must be stupid knaves indeed, if they produce such a balance-sheet as shall expose their own knavery. Besides, the balance-sheet merely shows the state of the bank on one day in the year. Would it not be easy to put the bank on that day in such a condition as would give satisfaction to the shareholders?

VII. At the annual meeting, the directors announce the amount of the profits and the mode of their distribution.

The first appropriation of the profits is, to pay to the shareholders a dividend on the capital. But all the profits are not usually thus appropriated; a certain portion is generally retained as a rest, or surplus fund, or, as it is sometimes called, a guarantee fund. This last title has led to an erroneous impression with regard to the nature and purposes of this fund. It is not designed as a guarantee to the depositers for the amount of their deposits, — these are guaranteed by the paid-up capital and the liability of the shareholders, — but as a guarantee to the shareholders for the uniformity of their dividends. Should the profits in any one year fall below the sum necessary to pay the usual dividend, the deficiency may then be taken from the surplus or guarantee fund. The amount of this fund, therefore, will be regulated by the amount of the transactions, and the consequent danger of loss. But it sometimes happens, that, after paying a liberal dividend, the surplus fund accumulates far beyond the sum necessary for the above purpose. In this case a portion of the fund may be employed either in still further increasing the dividend, or it may be distributed to the shareholders in the form of bonuses, or it may be added to the capital. The course to be adopted must depend upon circumstances. When the capital is small, it will probably be best to make an addition from the surplus fund; but when the capital is sufficiently large, the best way will be to give an occasional bonus to the proprietors. This is usually better than increasing the dividend; for if the dividend be once increased, the same rate of dividend will always be expected; and it is better not to make any advance, unless there is good reason to believe that the same rate will always be maintained.

When urging the establishment of a surplus fund, we are met with the remark, that we are not bound to do any thing for posterity, inasmuch as posterity have done nothing for us. We recollect meeting with this joke many years ago, we think in "Joe Miller." As it is so frequently repeated, we presume it is thought to be witty. We profess not to be a

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judge of witticisms. As a piece of reasoning it seems very unsound. To deny ourselves present gratifications in order to make provision for the future, is one of the most important lessons that reason teaches to man. Nor is it for posterity, in the present case, that the provision is made. All bank proprietors should wish that it may be so; but it is very probable that within their own lifetime some untoward events may occur that will require a portion of the reserved fund to keep up the ordinary dividend.

Those persons are under a mistake who object to a reserved or surplus fund on the ground that it takes away the profits from the existing shareholders, and gives them to the future shareholders. This is not the fact. An existing shareholder who keeps his shares until the fund is in some way distributed, receives of course his portion of the fund. But an existing shareholder who sells out his shares before the fund is distributed, receives the value of his portion of the fund in the price of his shares. The amount of the surplus fund will influence the market-value of the shares. In proof of this, we may observe that after a bank has declared a bonus, the market-price of the shares usually falls, as in fact, *cæteris paribus*, it ought to do.

We consider it of high importance that a bank should maintain an ample surplus fund. Without such a fund, the dividends will fluctuate very widely, and sometimes there may be no dividend at all, even though upon a series of years the bank may have been very successful. Even if it is known that a bank has met with losses, its credit is not so much affected when it has an ample reserved fund to fall back upon. And besides the ordinary losses in the way of business, a bank will sometimes, in a season of pressure, be called upon to sustain loss by the realization of securities, and it is very convenient to have a surplus fund sufficiently ample to bear all these contingencies. Such a fund, too, has a moral effect in strengthening the reputation of the bank in public estimation. It is regarded as an indication that its affairs are governed by a wise and prudent administration.

It will assist us in forming a correct judgment as to the principles on which joint-stock banks ought to be administered, if we take a view of those banks that have fallen, and notice the causes to which their failure may be assigned. In investigating these causes, we shall find that the disasters which have befallen joint-stock banks have arisen, not from any unsoundness in the principles of joint-stock banking, but purely from maladministration. It was predicted by their opponents that they would be ruined by the excessive issue of their notes: but the banks that have failed have been chiefly those that did not issue notes. It was stated they would be ruined by carrying on an extensive business with a small capital; but among the banks that have stopped have been some of the largest capital. It was supposed they would be ruined by unprincipled men getting to be directors, who, having no property of their own, would care little about squandering the property of others. But the fallen banks are chiefly those which were governed by honorable men; and the greatest sufferers have been the directors. Nor can it be said that the joint-stock banks have made their losses by engaging in speculations unconnected with banking. Private bankers have done so. But joint-stock banks are

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confined by their deeds of settlement to the business of banking. Nor has it appeared — except, perhaps, in the Isle of Man Bank — that they have violated their deeds in this respect. To what, then, must we ascribe the failure of so many joint-stock banks? We reply, To mal-administration; or, in other words, to bad management. And this leads us to inquire, In what way has this mal-administration been exemplified? What are those erroneous principles that have led to these fatal results? Without attempting to enumerate them all, we will endeavour to specify a few of the most prominent.

I. Taking the unsound business of other banks.

One cause of the rapid extension of joint-stock banks in 1836, was the "merging" of numerous private banks. I obtained from the managers the names of these private banks, which were printed as an appendix to the "History of Banking in America," published in 1837. This list was afterwards extended, and inserted in the *Bankers' Magazine* for 1844. Thus it appears that one hundred and thirty-eight private banking establishments have merged in joint-stock banks. Some of the private banks sold their business after the joint-stock banks had come into operation. Others formed a joint-stock bank upon the private bank, the senior partner often becoming a director, and the junior partner the manager, of the new bank.

In by far the majority of cases, these unions, or "merges," were advantageous to both parties. The private bankers obtained the value of the business they had surrendered, and an interest in the future prosperity of the bank they had joined. On the other hand, the new joint-stock bank acquired a business already formed, and also obtained the advantage of the practical knowledge and superintendence of experienced bankers.

But in some instances the bargain was a disastrous one for the joint-stock bank. The bad and overdrawn accounts were taken without due examination, and soon afterwards occasioned considerable loss. The loss of the purchase-money was generally by far the smaller loss of the two. A joint-stock bank in the West of England purchased a private bank in a country town for a large sum, and took the overdrawn accounts without a guarantee. These accounts were considered good at the time, but a few years afterwards the parties failed, and the joint-stock bank lost considerably. A joint-stock bank gave to the Northern and Central Bank the sum of £6,500 for their business at Leeds, after they had stopped. The accounts they took over were afterwards the occasion of great loss. The Isle of Wight Joint-stock Bank was formed upon a private bank, but a few months only had elapsed when they found they were insolvent from the losses that would arise from the bad accounts they had accepted. They immediately determined to wind up, and transfer their business to the National Provincial Bank of England. Other instances might be adduced of joint-stock banks having been founded on private banks which are now supposed to have been, at the time, in a state of insolvency.

II. Some banks have sustained losses by making advances on dead security.

Instead of the word "some," we think we might use the word "all"; for among the banks that have failed we doubt if we could find one that

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had not sinned in this respect. But the greatest sinners were those banks that were established in places of the greatest trade. All the banks at Newcastle advanced money on collieries, and also on other public works. The banks of Manchester made advances on mills and manufactories, as did also some of the banks at Leeds. These advances were attended with several evil effects. In the first place, there was a lock-up of capital, which restrained the operations of the bank. To relieve themselves from this restriction, they took bills for their loans, and re-discounted them in the London money market. The facilities thus obtained induced them to extend this system of advance. Bills were perpetually renewed, and perpetually re-discounted. At last a pressure came, and the renewed bills could not be re-discounted. The bank could not take up the old bills that were returned, and consequently stopped payment. Sometimes, too, the bank tried to relieve itself from this pressure by increasing its drafts on its London agent. It has for a long time been the practice in Lancashire to pay for cotton with a three months' banker's bill. Banks in difficulties avail themselves of this practice to make all their advances by drafts on London, instead of cash. The Bank of Manchester had at one time an enormous circulation of this kind.

Another effect was, that, however good the security might be at the time the advance was made, when a change took place in the state of trade, its value fell much below the amount of the advance; and in some cases it could not be sold at any price. But the evil did not stop here. As the property given as security would have been worth nothing if not worked, the bank was induced to make further advances to carry on the works on their own account. A colliery, if not kept in operation, soon gets out of order; and it will then require a considerable sum to set it at work again. Hence some of the collieries at Newcastle were worked by the banks; and mills in the neighbourhood of Manchester were carried on in the same way. The plan, however, does not often succeed. It is generally throwing good money after bad. The ultimate loss is usually increased. We may just observe in passing, that the banks in the East Indies get involved in the same way, through making advances on indigo works. These works are of no value except kept in operation; and hence it has occurred that a bank which has made an advance, is compelled to carry on the works to keep up the value of its security. To show that a bank governed by the strictest rules may sometimes be drawn into transactions of this kind, it may be observed that at the present time an iron concern in Wales is said to be carried on by the Bank of England. It belonged to the Governor and Company of the Mines Royal. The bank made an advance on mortgage to this corporation during the pressure of 1847, and now takes the profits of the works. Some joint-stock banks have made advances upon buildings. This has occurred chiefly in places where there has been an increasing population. A few years ago a joint-stock bank in a town of fashionable resort, advanced large sums to builders upon the security of the houses they were erecting. The houses did not let; they could not be sold for any thing like the cost price; the builders were ruined, and the loss fell upon the bank. The bank had recourse to the expedient of re-discounting the builders' bills; but after a while it

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was compelled to stop payment. In agricultural districts, banks have sometimes made considerable advances to farmers and graziers. Indeed, it is almost a universal practice to do so at some seasons of the year. These advances are not individually of large amount, and are not usually attended with much loss, — not with any thing like the losses incurred by advances on collieries, mills, and houses. But it is a lock-up of capital until the year comes round. And when the system has been carried to too great an extent, the bank has become embarrassed through the want of funds.

III. Some banks have lost large amounts through advances made by way of loan or discounts to men engaged in speculative undertakings.

Two of the banks that stopped at Newcastle-upon-Tyne sustained great losses through advances to corn-merchants. Speculations in corn are usually carried on more by bills than by loan. A merchant buys a quantity of corn, and places it in the hands of a factor, and draws bills for something under the market value, leaving the factor a margin to guard against loss. He gets these bills discounted, buys more corn, which he also places in the hands of his factor, and then draws fresh bills. This second batch of bills he also gets discounted, and buys more corn; and thus he goes on in the same course. Now if he thinks the market will rise (as all speculators do), he will not allow his factor to sell the corn; but when the first bills fall due he will renew them, and with the produce of the new bills, when discounted, he will pay the old ones. It is thus that a large speculation may be carried on with a small amount of capital (and that may be borrowed from the bank), and all the speculation is kept afloat by bills. These bills are always for large amounts, and when the parties fail the losses are usually heavy. The failures in the corn trade in 1847 fell heavily on the banking and moneyed interests. It was the stoppage of Messrs. Lesley, Alexander, & Co., the corn factors, that caused the stoppage of Messrs. Sanderson & Co., the bill-brokers.

Wool is another "heavy article," as it is called; that is, it costs a great deal of money, and the bills are usually for large amounts. Occasionally there is much speculation in this article. A joint-stock bank that failed in Yorkshire is said to have lost large sums by persons engaged in this trade.

Builders are generally a speculative class. Banks that advance money to parties engaged in this trade have usually to take possession of the buildings. We have already noticed an instance of this in the conduct of a joint-stock bank.

People who speculate in railway and other companies are dangerous customers to a bank. A joint-stock bank that failed at Leeds is said to have lost considerably by advances to share-brokers and others, upon the security of their shares.

It may be remarked, that it is generally bad policy in a bank to make a very large permanent advance to any one customer. The word "large" is a relative term, and must be undertsood with reference to the extent of business that the customer is carrying on, and to the means of the bank. It is not the business of bankers to supply their customers with capital to carry on their trade. But it is their business to make tem-

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porary advances, and these advances may sometimes be large. In such cases, the banker should have a kind of security, that shall not only secure the debt, but shall prevent its becoming permanent. Almost every bank that has failed can point to some one, two, or three large accounts to which it mainly ascribes its failure. The temporary stoppage of the Royal Bank of Liverpool is attributed to an advance of this sort.

But the worst form of illegitimate advance is that which is made by a bank to one of its own directors. Some of the banks at Manchester sinned grievously in this respect.

A bank that is known to act imprudently in making large advances, will occasion a suspicion that its smaller advances are made with, at least, equal imprudence. A large number of imprudent small transactions may be as fatal to a bank as a smaller number of a larger amount. A sum which appears small as a loan, will appear large as a loss. A manager who accustoms himself to examine all the circumstances connected with the small bills he discounts, will acquire a habit of investigation that will guide him with safety in dealing with large transactions. But if he get into a laxity of manner in regard to small amounts, he will ultimately deal less carefully with large sums, and be in danger of making great losses. In every case the rules of sound banking should be strictly applied.

IV. Some banks have become involved in difficulties through a general want of system and discipline in conducting its affairs. This laxity usually shows itself in two ways, — the absence of a good system of book-keeping, and the want of a proper control over its branches.

We could not adduce a more striking illustration of this observation than has been furnished in the history of the Agricultural and Commercial Bank of Ireland, as related before a Committee of the House of Commons in the year 1837. The following are extracts from this evidence. The books at the head office had not been posted for four months. There were no stock books, showing the amount each shareholder had paid on his share. There were no books showing the amount of the circulation. An auditor states: "They showed us no general account; their books were in a perfect chaos." They had no account at the head office by which they could check any transaction at the branches. Bills were sent away to be re-discounted without any entry of them being made in the bank books. At the branches there was no regular system of accounts. At no one branch was there a system of accounts that formed an adequate check upon the amount of notes in circulation; "and from one branch we were told that returns had not been made to the head-office for fourteen months, and from another for six weeks, and there was no question about it from the head office." (It is to be feared that some of the English country banks are too neglectful in regard to book-keeping. See the case of the Honiton Bank, in Burgess's *Circular to Bankers*, February 2, 1849.)

We will not intimate that any thing like this has ever existed in a joint-stock bank in England. We never heard that any one has had any difficulty in making out a statement of its affairs. With some banks, however, there has been a laxity in regard to the government of their branches. The system of inspection was not well understood; the re-

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turns from the branch were not so ample as they should have been; and the orders of the head office were not rigorously enforced. We could mention the names of several fallen banks that lost very considerably by their branches. In some cases the banks had opened branches in towns that required an amount of capital disproportionate to the means of the bank, and their administration had been intrusted to parties who had neither banking nor local knowledge.

A good system of book-keeping cannot be too highly valued. Its object is not merely to secure accuracy of accounts between the bank and its customers. A further object is to classify and arrange all the transactions in such a way as easily to produce a weekly balance-sheet, showing the actual condition of the bank. Nor must it be supposed that such abstracts or balance-sheets are intended merely for the use of the directors. They are of the utmost use to the manager, and should be the subject of his constant study. 'A manager who, day after day, attends only to individual transactions, and that, too, possibly in a state of mental excitement, may involve his bank in difficulty, even though each transaction may, upon its own ground, be perfectly justifiable, unless he attends to those summaries and classifications of his transactions which are presented in the weekly balance-sheet. He will there see on one side the means of the bank, and on the other the way in which his funds are employed. He will notice if his loans, or overdrawn accounts, or past-due bills, are unduly increased. If a good system of book-keeping does not prevent a manager from going wrong, it will prevent his going wrong without knowing it. If he act unwisely, his balance-sheet will stare him in the face and remind him of his faults.

It is a great defect not to take an accurate estimate of the losses every half year before striking the balance of profit and loss. It is clear, that common sense and common honesty require that the loss should be taken into account as well as the profit. Yet some of the banks that failed went on, year after year, exhibiting a balance-sheet to their shareholders showing a respectable profit, which enabled the directors to declare a fair dividend, and to make an addition to the reserved fund. While the annual balance-sheets thus showed a steady increase of profit, the bad debts had actually eaten up the whole of the capital.

Another defect is, not to have an account in the general ledger showing the amount of bills re-issued or re-discounted. The amount of these bills not due should appear on both sides of the account, — on one side as a liability, and on the other as an asset. For want of doing so, some banks have not been able to ascertain easily what amount of bills they have under re-discount. But it is important to know this; for it may be expected that, during a season of pressure, no small portion of these bills will be returned unpaid, and the bank must find funds to take up its indorsements. If they fail to do this, it amounts to a stoppage of payments. In fact, the amount of such bills suddenly returned has in some cases been the *immediate* cause of a bank stopping payment.

We have no horror of numerous branches. When we see that in Scotland the largest and most prosperous banks have each a large number of branches, we are led to believe that branches are not attended

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with any dangers which cannot be overcome by wise administration. At the same time, we are ready to admit that numerous branches require a peculiar mode of government, and a rigid system of discipline. The chief officer of such a bank should be a good banker, and something more. He must be a good administrator; that is, skilled in the administrative department of good government.

In the first place, each branch must have a good system of book-keeping, and the system must be uniform at every branch. Secondly, Care should be taken to appoint efficient officers. Thirdly, A code of laws should be drawn up, and the branch manager should be distinctly informed as to the extent to which he may exercise his discretion, and what cases must be referred for the consideration of the directors. Fourthly, Weekly returns must be made to the head office of all the transactions, and a half-yearly balance-sheet attended with full supplementary details. Fifthly, Special reports should be occasionally required, as special circumstances may occur, either with reference to the branches generally, or with reference to a branch individually. Sixthly, An inspector should be appointed for the purpose of visiting the branches. His duties will be to explain the instructions of the directors, and to see that they are properly observed; to maintain a uniform system of transacting business at all the branches; to instruct the officers of the branch in their duties when necessary, and to communicate the knowledge he has acquired in visiting the other branches; to answer any difficult or knotty questions that may be proposed to him by the manager, and to consult with the manager as to the best means of promoting the interests of the branch; to observe the talents and capabilities of the several officers, and to recommend for promotion any who seem to have qualities that might be usefully employed in a higher department in the bank. In large banks there are usually several inspectors. (We shall hereafter notice in detail the mode of conducting business in the Provincial Bank of Ireland, as an illustration of the above remarks.)

Branches should always be kept in strict subordination to the head office. Prompt obedience to orders is a duty that must be rigidly enforced. The chairman of the Northern and Central Bank stated to the Parliamentary committee, that at some of the branches where the heaviest losses had occurred, the managers had not obeyed the orders they had received from the directors. Similar accusations were made against some of the branch managers of the Commercial Bank of England. It is quite impossible for any bank to be well administered as a whole, if every branch is allowed to exercise an independent authority. Upon this ground, some parties object altogether to the appointment of local directors at the branches. A local board, consisting of the branch directors and the manager, are more likely than the manager alone to assume independent authority, to postpone carrying out the directions they may receive from head quarters, and to take upon themselves the responsibility of acting somewhat at variance with the strict letter of their instructions. And although local directors may sometimes be useful in extending the connections of the bank, or in aiding the managers with information or advice, yet, for the above or other reasons, they are now in England but

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very seldom appointed. The branch is under the sole care of a manager. The general manager of the bank is not merely the manager of the head office, but has authority also over all the branches. Whenever necessary or expedient, he issues circular letters of instruction to the branch managers, and these instructions the branch managers are expected to obey.

V. Some banks have been unfortunate in consequence of having made no provision to meet contingencies.

This class of banks has not fallen into any of the practices that we have enumerated. They have not, on the whole, been badly managed, but they have traded to the full amount of their means, and have kept no reserve, either in government stock, exchequer bills, or bills of exchange, to meet those contingencies to which all banks are liable. One bank of this class had, during the railway speculation, received from some of these companies a large amount of deposits. A portion of these deposits was lodged, as its agent, with another bank. That bank stopped. This bank was, consequently, unable to pay back the deposits to the railway companies. From this circumstance, and the known connection between the two banks having damaged its credit, it was compelled also to stop payment. Another bank had but a small capital, but for a number of years it was exceedingly well managed. In 1847 it had discounted, and again re-discounted, a large amount of bills on a first-rate London house that failed. The London house afterwards paid 20*s.* in the pound. But the directors concluded from this circumstance that a bank with a small capital was not in a condition to bear a large loss, and they resolved to wind up the concern. After sustaining the losses and expenses of winding up (and in such a case some losses necessarily occur), the bank realized nearly the whole of its paid-up capital. We doubt not that some of the other banks that have wound up their affairs have done so from causes similar to those we have described.

We consider that this head of our inquiry is not less instructive than the four by which it was preceded. *They* will teach us the vices we ought to avoid; *this* will teach us the virtues we ought to cultivate. The lessons we here gather are, that we ought not only to avoid all mismanagement, but we ought also to provide for those contingencies to which, even with good management, we are exposed. We ought to raise our capital in proportion to our business, or else keep down our business to a level with our capital; we ought to have a surplus fund adequate to meet any unforeseen loss; we ought to have a reserve of convertible securities ready to meet contingent evils; and, finally, we ought always to keep our bank in such a condition, that, even if not successful, we shall still be in a condition to wind up our affairs without inconvenience to the public.

VI. We may observe, that these erroneous principles of administration have sometimes been the result of a defect in the constitution of the bank, of the appointment of incompetent persons, or of an unwise distribution of the administrative functions.

Joint-stock banking did not grow up gradually in England as in Scotland. On the introduction of this system into England, the directors were

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necessarily unacquainted with the practical operations of banking.* For all the practice and experience were confined to the private bankers, whom the new system was intended to subvert. In some places there was a prejudice against directors who were in business. Hence, officers in the army, barristers, solicitors, medical men, retired tradesmen, and country gentlemen, were considered as the most eligible directors. These boards of directors, all of whom were unacquainted with banking, and some of whom were destitute of business habits, had to encounter difficulties which would have tried the most experienced bankers.

The want of experience in a board of directors did not, however, produce any dangerous consequences when they appointed an efficient manager. He prudently advised and instructed them. They gradually increased their knowledge, adopted his principles, and were guided by his counsels. By their daily intercourse with him, by their own reflections, by the direction given to their thoughts, and by the experience they acquired, they became in a few years as conversant with their duties as the manager himself. We believe this was almost uniformly the case with those joint-stock banks that were formed within five or six years after they were allowed to be established in England. As a proof that such was the case, it may be stated that the greater portion of the banks formed during that period have, at the present moment, the same managers they had at their commencement.

But, after joint-stock banks were started as matters of speculation, they increased more rapidly than efficient managers could be found. The new banks naturally enough looked to Scotland. But the Scotch banks had the sagacity to raise the salaries of their principal officers, to prevent their emigration to England. In some cases, those Scotchmen who were appointed managers of English banks, had never held office in a bank before, or else it was an office so inferior that all they knew about banking was merely the routine of the office. Wherever efficient managers were appointed, whether English or Scotch, the same effects were produced as in the former cases. The inexperienced directors acquired the knowledge and experience necessary to the discharge of their duties, and the banks prospered. But sometimes the case was reversed. The manager was inefficient and the directors inexperienced, and then the effects were disastrous.

In some cases the manager labored under an inconvenience from being taken from a lower social position. Not a few of the managers were previously bankers' clerks; and the appointment to the office of bank manager did not, in England (as it does in Scotland and in Ireland), raise him to the same social position as a banker. This was injurious to the bank in several ways. It lessened his influence with his directors. From

* The chairman of the Northern and Central Bank gave the following answers to a Committee of the House of Commons: —

"Is there any one of your colleagues in the direction of the bank that had previous experience in banking business? — I do not think there was one.

"Had the directors of the joint-stock banks about you many of them had previous banking experience? — I do not recollect one." — *Committee on Joint-Stock Banks*, 1837.

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the days of Solomon to the present time, the degree of deference paid to even good advice has depended upon the social rank of the party who offered it: "Wisdom is better than strength; nevertheless the poor man's wisdom is despised, and his words are not heard." (*Eccles.* viii. 16.) The public, too, had been so long accustomed to private banking, that, seeing the manager paid by a salary, they could not bring their minds to view him as *the* banker, but considered him as holding an office analogous to that of chief clerk in a private bank. It may be feared that in some banks the directors took the same view, and thought that the influence and the salaries of the two offices ought to correspond. These impressions have now passed away.

In some cases the manager was superseded in his functions by the appointment of managing directors. The manager was a man of banking knowledge and experience, but he had placed over him a couple of managing directors who had neither knowledge nor experience. Consequently, his voice was never heard in the board-room, and, with the name of manager, he acted only in the capacity of a chief clerk. The manager was thus deprived of the opportunity of discharging the most important of his functions, — that of giving advice to the directors, — and was required to confine his attention to the more easy duty of obedience.

In other cases the managing directors and the manager formed a secret committee, who alone were acquainted with the actual condition of the bank. The directors of the Bank of Manchester stated, in their first report, that "two of their body, who are out of business, alone have access to the accounts, and are authorized to advise with the manager, when requisite, on the current transactions of the bank. At the same time, each of the other directors engaged, individually, to refrain entirely from inspecting any of the customers' bills or accounts; thus combining all the secrecy of a private bank with the advantages of a public institution." The Bank of Manchester had at that time the largest paid-up capital of any joint-stock bank in England. Three of its directors were examined before the Bank Charter Committee, in the year 1832. They presented to the committee a list of twenty-three joint-stock banks then formed, and strongly urged that measures should be adopted to require from them an adequate amount of paid-up capital. It is somewhat remarkable, that, out of these twenty-three banks, the only one that has stopped payment is the Bank of Manchester. Another has ceased to exist, but it was by a transfer of its business.

In some cases a bank has been ruined by its manager; in others, by the manager and the managing directors conjointly; in others, by the managing directors without the manager; and in others, by one, two, or three directors, who, though not formally appointed managing directors, have, by their influence with the board, virtually monopolized that office, and discharged its functions. It may be questioned whether any case has occurred in England of a bank being ruined by the acts of its whole board, where all the directors were honest and intelligent men, and each was accustomed to think and judge for himself.

VII. We may observe, that sometimes joint-stock banks have been led

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into erroneous principles of administration by the proceedings of the proprietors.

The constitution of joint-stock banks appears theoretically absurd. The manager, — the banker, — who is presumed to have some knowledge and experience in banking, is placed under the command of a board of directors whose knowledge and experience are supposed to be inferior to his own. These directors are again placed under the control and instruction of a body of proprietors whose knowledge of banking is much less than that of the directors. Practically, however, the system works well. But when an attempt is made to carry out the theory, the effects are injurious; and some joint-stock banks have fallen into danger through the operations being too much regulated by the proceedings of the proprietors.

Sometimes the directors have been influenced by the applauses of the shareholders.

It is natural to all shareholders to wish for large dividends upon the capital they have invested. Hence they applaud most loudly those directors who contrive to declare the highest dividends, to make the largest bonuses, to keep up the shares at the highest premiums in the market, and then to distribute more shares at par. The directors, knowing these to be the feelings of the shareholders, very naturally attempt to gratify them. But those transactions that yield a large immediate profit, are either attended with a risk of loss or a lock-up of capital. But the profit is immediate, the danger is remote. With the applauses of the shareholders ringing in their ears, the directors become too giddy for reflection, and recklessly engage in a course of action that ends in ruin. This evil is increased when there are two joint-stock banks of about equal strength in the same place. The spirit of rivalry is natural to man. The competition between the two boards of directors is not which bank shall be governed with the greatest prudence, and with the strictest regard to sound banking principles, but which shall produce the most glowing reports, which shall declare the largest dividends, and which shall keep up its shares at the highest price in the market. A strong competition is carried on, which ends in the destruction of one or both of the rival banks. Such feelings are said to have prevailed at Manchester; and at that place several boards of directors were presented with services of plate, by their respective shareholders, within a short time of the stoppage of their banks.

Sometimes directors are induced to act unwisely from the censures of their shareholders.

Every one who knows any thing of banking must know that it cannot be carried on without occasional losses. A bank that is so conducted as never to make a loss, will seldom make much profit. And sometimes these losses will be so great as to absorb a large portion of the profits of the year. The object of having a surplus fund is to provide for these contingencies, so that the usual dividend may be maintained. But when an occasion arises for making use of a portion of this fund, there is often what is called "a stormy meeting," and the shareholders walk away sulky and dissatisfied. This produces a bad effect on the minds of the directors. It is a great mistake to suppose that boards of directors are in-

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different to the applauses or censures of their shareholders. As a general rule, the fact is lamentably the reverse. In some cases they have had so much dread of "the general meeting" that they could not muster courage enough to make honest reports. Had they done so in the first instance, their banks might have been saved from destruction.

Sometimes directors are in danger of being led astray by the admonitions and instructions of their shareholders.

A very prudent class of proprietors exhort the directors to practise the strictest economy. When rightly understood, this exhortation is worthy of the rounds of applause with which it is usually attended. But it is liable to be misunderstood. In banking, as in housewifery, the lowest-priced article is not always the cheapest. The largest portion of the expenditure of a bank consists of salaries. Hence an exhortation to economy amounts to, "Keep down the salaries of your officers"; and as the manager has the largest salary, he will most likely be the heaviest sufferer. We believe that if the suggestion were made in these terms, it would receive no support from any body of shareholders. Were it customary to announce to the proprietors the advances made in the salaries of the managers, we think the announcement would be received with the same feelings as were manifested in the following instance. At the eleventh annual meeting of the proprietors of a bank in one of the northern counties, held on the 5th of February, 1846, "the chairman informed the meeting that, appreciating highly the services of the manager, and the prosperity of the bank fully justifying them in doing so, the directors had raised his salary to £1,500 a year; at which the proprietors present expressed their hearty concurrence. And it was recommended to the directors, by the proprietors present, still further to augment the manager's salary, with the increasing business and prosperity of the bank." At that time the paid-up capital of the bank was £260,450. In the "Banking Almanac for 1849," this banking is stated to have a capital of £300,000, and a reserved fund of £30,000.

The following is an extract from the sixth report of another joint-stock bank:—

"The manager having claimed for his nominees the 1,000 shares at par to which they were entitled by his agreement when originally engaged, the same have been issued to them, which increases the number of paid-up shares, entitled to participate in the present dividend, to 32,080."

A more mischievous recommendation, when thus understood, can hardly be conceived. Next to having a dishonest manager, the greatest evil is to have one that is badly paid. If he is known to be poor, his advice will have less weight in the board-room; the directors individually will treat him with less respect; his wealthy customers will not disclose to him their private affairs; the needy class, when refused discount, will insult him by threatening to complain to the directors; and his inferior officers will be less prompt in their obedience. But worse than all this will be the effect produced upon his own mind. He will not be, and he cannot be, so efficient a manager when badly paid, as he would be if he received a liberal remuneration. It is the besetting sin of men of business, that they never pay attention to *mind*, though among no class are mental phe-

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nomena more strikingly exhibited. The amount of his salary is the only tangible means by which a manager can judge how far his services and his character are appreciated. It is not the money alone, but the feelings of which the money is an indication, that produces an effect on the mind. It is a law of our nature, that the kindness, liberality, and generosity of others will produce corresponding feelings in ourselves. And it is another law of our nature, that when the mind is under the influence of such feelings, it is capable of intellectual efforts of a higher order. But we forget; we were writing about pounds, shillings, and pence, and our pen has darted off into philosophy. We will now return.

Sometimes the shareholders fly at higher game, and canvass the salaries of the directors. Such discussions are always unpleasant, as they are carried on in the presence of the parties interested. Among all the charges brought against the directors and managers of banks that have failed, we have never met with the accusation that they received excessive salaries. We are tempted to fancy, that, had their salaries been higher, the banks might not have failed. As far as salary is concerned, they certainly would have had a greater interest in preventing the failure. In some banks, however, directors have paid themselves for their services in ways far more costly to the bank. Take the following instance: —

"The qualification for directors of the Northern and Central Bank was 100 shares. It was, however, ascertained that each of the original directors took 1,000 shares, and that besides these, other shares were, at later dates, distributed among the directors and their near connections. Instead of paying the calls to the bank, the directors and their nominees were severally debited with the amount in a private ledger, locked up, and the key deposited with the chief accountant. In addition to this, each director had a current account with the bank, and many of them had overdrawn their accounts to a very large amount. Nor was this all, for it further appeared that many of them were also indebted in large sums of money on notes of hand, which being placed to the account of securities, did not appear in the books as a debit against the directors. Upon combining these several items of debt, it was ascertained that there was no less than £290,000 due by the directors, and that there was near £14,000 due by the managers and clerks." (*Committee on Joint-Stock Banks*, 1837.)

It is not creditable to any bank to receive the services of its directors as a matter of charity; nor is it wise. A director who is paid for his services may justly be called to account for neglect of duty. In this case, too, he cannot expect payment in any other way. In his transactions with the bank he is then on the same footing as any other customer. It has been said, that the directors are such honorable men that they will attend to their duty as strictly if badly paid as if liberally paid. If so, they ought to be liberally paid, as it is very desirable that such honorable men should be most closely attached to the bank. But we doubt the fact. In matters of almsgiving, men will give only what they can conveniently spare. If a director is to give his time for nothing, he will give only that portion of his time which he cannot more profitably or more agreeably employ elsewhere. In matters of business, men will apportion their services according to the return they receive for them. There is no way of securing constant punctuality of attendance on the part of directors, but by paying them liberally for that attendance. In some cases where payment has not been given, or given only to the managing directors, it is said that the

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government of the bank has fallen into the hands of a few persons whose punctuality of attendance has been almost their only banking virtue. But the main advantage of liberal payment is its effect upon the *minds* of the directors. Every honorable man will attend to his duty with alacrity and energy, and will even make extra exertions for the benefit of the bank, when he finds that his services are handsomely and liberally appreciated.

We need hardly say, that the faults we have pointed out in the administration or constitution of joint-stock banks are by no means inherent in the system. They are accidental circumstances, arising from its establishment in a new country, by parties who had no previous opportunity of understanding its principles. The system is no longer new, its principles are now well understood, and it may reasonably be expected that the calamities of the past will never recur.

Section XI. — THE ADMINISTRATION OF THE OFFICE.

In this section we shall consider the following topics: —

I. The Arrangement of the Office.
II. The Selection and Appointment of the Clerks.
III. The proper Distribution of their Duties.
IV. The Amount of their Salaries.
V. The System of Promotion.
VI. The Rules of Discipline.
VII. The Training of Clerks for higher Offices.

I. The Arrangement of the Office.

The proper situation of a bank is a matter of some importance. It should be situated in what is deemed the most respectable part of the town. If it be placed in an inferior locality, approachable only by narrow and disagreeable streets, and surrounded by buildings the seats of smoky and dirty trades, it is not likely to be so much frequented, nor to acquire so large a business, as though it were more pleasantly situated. Another point to be observed is, that the bank itself should be a handsome building. The necessary expenditure for this purpose is no sin against economy. It is an outlay of capital to be repaid by the profits of the business that will thus be acquired. A portion of the building will probably be set apart for the private residence of the manager, or of some other officer of the establishment. It is desirable that this portion should be entirely separated from the office. The communication should be only by a single door, of which the manager should keep the key. The building should be so constructed that what is going on in the private house, whether in the kitchen, or the nursery, or the drawing-room, should not be heard in the bank. The office being thus isolated, must then be fitted

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up in the way that will most effectually promote the end in view. And here are three points to be considered, — *space*, *light*, and *ventilation*.

A chief consideration is *space*. A banker should take care that his clerks have room enough to do their work comfortably. Every accountant knows that he can often work faster if he can have two or more books open at the same time; but if his space is so confined that he must shut up one book and put it away, before he can use another, he will get on more slowly. The cashiers, too, will be much impeded if they are obliged to stand too close to each other; and the public will be huddled together, and will often count incorrectly the money given to them, and thus take up the cashiers' time to put them right. Want of space will necessarily occasion errors, from the confusion it produces, and from one clerk being liable to interruption from the noise or vicinity of the others. A banker should therefore take care that his office is large enough for his business; and that it will admit of being enlarged in case his business should increase. Ample space is also conducive to the health of the clerks, as there will be more air to breathe, and the atmosphere is less likely to become polluted by the burning of lamps and candles.

Another consideration is *light*. It is well known in every London bank that fewer mistakes are made by the clerks in summer than in winter. Abundance of light prevents mistakes, and saves all the time that would be employed in the discovery of errors. Light is also of great importance to the cashiers in detecting forged signatures, and bad or counterfeit money. Thieves are also less likely to attempt their robberies in a light office than in a dark one. Faint or illegible hand-writing can be more easily read, and hence mistakes are less likely to occur. The clerks, too, perform their duties with more quickness and cheerfulness. The gloominess of an office throws a gloom over the mind; but "light is sweet, and a pleasant thing it is for the eyes to behold the sun."

The lightest part of the office should be devoted to the clerks. We have observed sometimes a violation of this principle. The entrance door has been placed in the middle of the front, with a window on each side, and the counter thrown across the room, so that the lightest part of the office has been given to the public. It is better that the entrance be placed at the right or the left corner, and the counter be made to run from the window to the opposite wall. The light will thus fall lengthways on the counter, and the space behind the counter will be occupied by the clerks.

Ventilation. — Volumes have been written by medical men upon the advantages of fresh air, and on the unwholesome atmosphere of crowded cities. If the air that circulates in the streets of towns and cities is impure, what must be the state of those offices or rooms where twenty or thirty persons are breathing close together during the whole of the day, and gas-lights are burning during the evening! In such cases we are told that a person afflicted with consumption of the lungs may communicate the complaint to others, as they must inhale a portion of the atmosphere which he has breathed out. The air in a close office is not only rendered impure by the number of people that breathe it, and by the burning of gas, but it also contains very frequently particles of dust arising from the floor,

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through the number of people constantly walking in and out. It is almost impossible for persons so circumstanced to enjoy for a length of time even moderate health. A portion of this evil may be mitigated by a good system of ventilation. To obtain this should be regarded as an object of the first importance. If a banker does not insist upon the architect performing this in the most effectual manner, he must be content to be often put to inconvenience through the illness and consequent absence of his clerks.

Having made due provision for space, light, and ventilation, it will now become necessary to arrange the counter, desks, and other furniture, so as to enable any given number of clerks to discharge their duties with the greatest efficiency, and so as best to promote the public convenience. It is not necessary, or possible, to give very minute instructions on this head, as much will depend upon the form of the building, the extent of the business, and other circumstances. We will notice only a few general objects to be kept in view.

It is desirable at all times to make those arrangements that shall best promote the convenience of the public.

The counter should be readily accessible, and of sufficient length to meet the requirements of the business; and the cashiers' desks sufficiently wide apart for the public to be promptly served, and to stand without jostling one another. Some banks have two counters, one for paying, and the other for receiving. At other banks the cashier does not enter the credits, but merely agrees the amount with the customer, and then passes them to a clerk, who enters them in the Waste Book. In the same way, when a cheque is presented for payment, he gives it to a clerk behind him, who enters it, and hands the notes to the cashier, who pays out the gold and silver. When the business is large, extra or supernumerary cashiers are appointed, who take the place of the regular cashiers when they are absent at dinner or otherwise, so that during the whole of the day all the cashiers' desks are occupied. To relieve the counter, the payment of bills that have been presented in the morning and not paid, is usually received at a separate desk or office. All these are expedients that should be adopted when necessary, to save the time of the public. There are few things that try a man's temper more than to be kept waiting a long time at a banker's counter; and he will be very apt to give vent to his impatience by quarrelling with the clerks, or reproaching the establishment.

Another object is, to place near together those clerks whose duties will require them to have frequent communication with each other. If this rule be not observed, the clerks will lose much time in the course of the day in passing from one part of the office to the other; and the work will not be so expeditiously performed. It is especially desirable that the ledger keepers should be placed close behind the cashiers; so that if a doubtful cheque be presented for payment, the cashier may be able to show it to the ledger keeper, and be informed if he may pay it, without being observed by the party presenting it.

Another point is, to place the desk of the chief or head clerk in such a position that he can see all over the office. "A master's eye will do more work than both his hands." In this case, if the counter is crowded,

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the chief clerk will perceive it, and appoint additional clerks to assist the cashiers. If disputes take place between the clerks, or between the cashiers and the public, he will come forward and settle the matter before the dispute is carried to high words. He will observe, too, the customers who come frequently to the counter, and from their transactions he will often draw conclusions respecting their circumstances which will be serviceable to the bank. It is generally best that many of the clerks should be so placed as to look towards the counter. It has been said that this draws off their attention from their work; but we do not think this is generally the case, although it may occasionally relieve the irksomeness of their duties. A dishonest person standing at the counter, and watching an opportunity of committing a robbery when the cashier is engaged, will be more likely to abstain from making the attempt when the eyes of other clerks have a command of the counter. This arrangement will depend in some measure on the direction of the light. The clerks should not have their faces or their backs towards the window, but the light should fall on them sideways. These matters may appear trifling, but they will not be deemed unimportant to those who are intrusted with the practical administration of an office. It is only by attention to minute things that the business of an office can be well conducted.

II. The Selection and Appointment of Clerks.

When a bank is first formed, they sometimes advertise for clerks; but this is usually for clerks of a higher rank, who have had some experience in the business of banking. When a bank is established, it has seldom occasion for new clerks of this class. A vacancy in one of the higher departments is filled up by the next clerk in rank, and so on in order, and the new clerk comes in as a junior. Applications for this post are usually so numerous that the only difficulty is in making the selection. Those recommended by parties known to the bank, as customers or shareholders, usually have the first claim. In some banks the nomination of the junior clerks is regarded as a portion of the patronage of the directors, upon the understanding, however, that they nominate none but such as are properly qualified, and who shall prove their fitness to the satisfaction of a committee of directors.

In making inquiries into the qualifications of applicants, it is necessary to ascertain, in the first place, their age. In London, the age at which clerks are admitted into a bank is usually about nineteen. As their first duty is to collect payment of bills, it is necessary they should have arrived at a sufficient degree of strength to be able to make some resistance were an attempt to be made to rob them of their bill-case; and also that they should have arrived at an age to be conscious of the responsibility of their office. In the country parts of England, and in Scotland, clerks are taken at an earlier age; but the duties are different from those discharged by the same class in London.

Another consideration is the class of society from which clerks are taken. Candidates for the office of bank clerks are usually the sons of the middle class of tradesmen, or of professional men, as clergymen, officers in the army or navy, or persons in the service of Government.

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During the last war, bankers' clerks were generally tne sons of tradesmen, as the sons of gentlemen could usually find employment under Government. But now that places under the Government are not so easily obtained, members of what are called respectable families are found among the candidates for admission into the service of banks. Each class has some advantages. The sons of gentlemen have generally a better literary education, and have usually a more courteous address. On the other hand, they have no notion of business, and no business habits. They have been accustomed to go a-hunting and a-fishing with the sons of men of large property, and they look upon banking business as a drudgery to which they submit from necessity, but which is much beneath the destiny to which they think they are entitled. On the other hand, the sons of tradesmen have been accustomed to notions of business from the ordinary conversation of their fathers' fireside; they know they must get their own living; they look upon their admission into a bank as a lucky event, and, consequently, apply themselves to their duties with heartiness and cordiality.

Another inquiry of those who are candidates for admission into a bank is, how they have been employed. Lads just come from school, of course know nothing of the business of a bank, and, if taken at all, they should be taken upon trial for three or six months, so that their qualifications may be discovered before they are permanently appointed. Those who have been two or three years in a merchant's counting-house are generally found to be the most efficient. But to have been in the office of a stock-broker or a solicitor, or to have studied for one of the learned professions, is no recommendation. Clerks from country banks, and especially those from the banks of Scotland, when introduced into London banks, are at first usually considered to be slow.

It is also proper to inquire into the parentage of the candidate. For although honesty and dishonesty do not run in the blood, yet it is probable that religious and virtuous parents have given their children a religious and virtuous education; and a youth who has been accustomed to see examples of excellence at home, will be the most likely to exhibit those excellencies in his own conduct. A high degree of moral principle is in itself a necessary qualification in a post of trust and responsibility, and it is usually associated with a cultivated and improved state of the intellectual faculties. "If there be in the character not only sense and soundness, but virtue of a high order, then, however little appearance there may be of talent, a certain portion of wisdom may be relied upon almost implicitly. For the correspondencies of wisdom and goodness are manifold, and that they will accompany each other may be inferred, not only because men's wisdom makes them good, but also because their goodness makes them wise. Although, therefore, simple goodness does not imply every sort of wisdom, it unerringly implies some essential conditions of wisdom; it implies a negative on folly, and an exercised judgment, within such limits as nature shall have prescribed to the capacity." (*Taylor's Statesman.*)

Testimonials are to be received with caution. Young men who come to London in search of a place, often bring with them a host of testimo-

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nials, which they expect will place them at the head of any list of candidates. When upon other grounds there is an intention of engaging the applicant, these letters of recommendation may sometimes be read. It may be useful to observe by whom the testimonials are given, and whether those persons have had opportunities of judging of the adaptation of the party for the office he seeks. It may also be noticed what qualities are, and more particularly what qualities are *not*, ascribed to the applicant. It has been said, that when a lady is praised for being "amiable and accomplished," it may be inferred that she is neither young nor handsome. So if a testimonial speaks highly of a young man's "industry and integrity," it may generally be inferred that he does not possess much talent. It is true that these qualities are of more importance than talent. But while they are more important, they are also more common; and if a young man possesses any kind of intellectual superiority, the fact will certainly not be omitted in his testimonial.

III. The distribution of the duties of the various clerks is a matter of no small importance. Experience is the only efficient guide in making such arrangements. We may, nevertheless, lay down a few general principles. The great division of the business of a bank office is into the cashier's department and the accountant's department. In London banks there is a third, — the tellers, or out-door department. In the distribution of duties, it is desirable that the accountant's department should be a check upon the other departments. The cashiers must not have the control of the books, nor the accountants the care of the cash. The accountants' books should show what amount of cash is in the hands of the cashiers; and it is the business of the cashiers to show that they have that amount of cash which corresponds with the accountant's books. If the same officer has the care of the cash and the command of the books, he may abstract a portion of the cash, and alter the books to make them correspond. It is further desirable, in large establishments, that two books which act as a check upon one another, should not be kept by the same clerk. While it is not proper to indulge a spirit of suspicion in regard to individuals, it is advisable that the duties of a bank office should be so distributed that the intromissions of any one clerk, either by the abstraction of cash or the falsification of the books, should be liable to immediate detection by the entries in some book kept by another clerk. For the same reason, it is proper that any document issued to the public (such as deposit receipts, drafts on London, &c.) should be signed by two officers, of whom one should belong to the cash, and the other to the accountants' department. There ought to be a complete division of labor in a bank. Every clerk should have fixed duties to perform, and every duty, however unimportant, should be assigned to some particular clerk. If any thing is neglected, there should be no doubt as to who is to blame. No one should be able to say, "It was not my business; it was yours." Nor ought any duties to be assigned in common to two or three clerks, to be performed by them as each may find time. In this case, each will do as little as he can, and nothing will be done well. If any dispute arises among the clerks as to the due division of their labors, a reference should be made

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to the chief clerk, who will give to each man his work, and hold him responsible for its proper performance.

IV. The Amount of their Salaries.

According to Adam Smith, the wages of labor are regulated by the following circumstances: — 1. The agreeableness or disagreeableness of the employments themselves. 2. The easiness and cheapness, or the difficulty and expense of learning them. 3. The constancy or inconstancy of employment in them. 4. The small or great trust which must be reposed in those who exercise them. 5. The probability or improbability of success in them.

Mr. Mill makes the following observations with regard to the salaries of clerks: —

"A clerk from whom nothing is required but the mechanical labor of copying, gains more than an equivalent for his mere exertion if he receives the wages of a bricklayer's laborer. His work is not a tenth part as hard, it is quite as easy to learn, and his condition is less precarious, a clerk's place being generally a place for life. The higher rate of his remuneration, therefore, must be partly ascribed to monopoly, the small degree of education required being not even yet so generally diffused as to call forth the natural number of competitors, and partly to the remaining influences of an ancient custom, which requires that clerks should maintain the dress and appearance of a more highly paid class.

"It is usual to pay greatly beyond the market price of their labor all persons in whom the employer wishes to place peculiar trust, or from whom he requires something besides their mere services. For example, most persons who can afford it, pay to their domestic servants higher wages than would purchase in the market the labor of persons fully as competent to the work required. They do this, not from mere ostentation, but from reasonable motives; because they desire that those they employ should serve them cheerfully, and be anxious to remain in their service; because they do not like to drive a hard bargain with people whom they are in constant intercourse with; and because they dislike to have near their persons, and continually in their sight, people with the appearance and habits which are the usual accompaniments of a mean remuneration. Similar feelings operate in the minds of men in business with respect to their clerks." (*Principles of Political Economy*, by John Stuart Mill, Vol. I. pp. 461 – 475.)

There would be considerable difficulty in applying the rules laid down by political economists with regard to the wages of labor to the case of bank clerks. A banker does not hire a clerk because he is the cheapest man he can get, nor does he dismiss him as soon as he can get another man to do the same work at a lower price. He would not find it his interest to do this; for his work is of a peculiar kind. His clerks must have a certain degree of education and of manner, and be taken from a certain class in society. They are not allowed to engage in any other employment; they have to maintain a respectable appearance; they must be qualified, not merely for the lowest post in the bank, but must be prepared to take higher posts should vacancies occur. And in every post they are intrusted with a large amount of property, and upon their integrity and prudence much reliance must at all times be placed. All these circumstances serve to show, that, in fixing the amount of their salaries, the banker should be anxious to err (if he err at all) on the side of liberality.

He ought also to take into consideration the effect which the amount of

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salary produces on the mind and condition of the party receiving it. If an advance of salary quickens the attention or the zeal, or strengthens the fidelity of a party, or induces him to cultivate those talents which add to his efficiency, or if it enables him to move in a higher class of society, and gives him a station and an influence which enable him to be useful to the bank, then is such advance of salary, though entered in the books under the item of expenditure, an outlay of capital which is repaid to the banker with interest in the effect it produces, — an outlay that becomes probably one of the most profitable of his investments. We have great pleasure in transcribing the following letter from Mr. Samuel Jones Loyd. It was addressed to the chief clerk of his London bank. We abstain from all eulogium, as the letter will speak for itself: —

"DEAR MR. KIRBY, — The inclosed draft for £1,000 I request you will place to the credit of the 'Clerks' Christmas Fund.' At the close of the first year since my accession to the head of this concern, I am desirous of offering to those through whose assistance I have been enabled to bring it to a satisfactory conclusion, some substantial proof of my sense of their services, and of the interest which I feel in all that concerns their comfort and happiness. The year now closing has been marked by some circumstances of an accidental and temporary character, which have tended to throw an unusual degree of labor and trouble on the clerical department of the office. Of the readiness with which this difficulty has been met and overcome I am very sensible; and for this, as well as for the uniform zeal and integrity with which the general duties of the office are discharged, I beg that the clerks will accept my grateful acknowledgment, and that you and they will believe me to be the faithful friend of you all.

"S. J. LOYD.

"*Lothbury, December 24th*, 1845."

In all banks the junior clerks have lower salaries than the senior clerks. In Scotland, a clerk usually serves an apprenticeship of three years, during which he receives but a small salary. This plan has been introduced into some of our country banks. In London it does not exist. In the private banks, a junior clerk usually commences with £60 a year, and a portion of the Christmas money. In the joint-stock banks, where no Christmas money is allowed, the commencing salary is usually £80. But the rules of advance are various, and, indeed, must be so, depending as they do upon the prosperity of the banks, and other contingent circumstances. One bank may assign a certain fixed annual increase to each clerk, whether he advance in rank or not. In this case, his salary will be regulated entirely by the number of his years of service. Another bank may have a fixed salary for each post, and a clerk has no increase of salary except when he takes a step in rank. Another bank may adopt a scale of salaries combining the principles of the other two. For instance, every post in the bank may have a fixed minimum salary. But each clerk holding a post for a certain period (say for five years), has an annual advance for that period. Then he stops, and receives no further advance until he is promoted to the next post, where again he becomes entitled to the annual advances belonging to that post. We give no opinion as to the respective merit of these plans. But there is one principle we would enforce, that the salaries of the clerks should be regulated by the prosperity of the bank. If the bank is prosperous, the clerks ought to share in its prosperity; and if the bank is unfortunate, the clerks must consent to share in its ill fortune. But, under any cirumstances, a scale

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of salaries is desirable. It prevents caprice on the part of the bank, and jealousy on the part of the clerks. The amount of salary in each case should be fixed by rule, and not by favor.

With reference to this subject we quote from Mr. Taylor's work, entitled "The Statesman," a work which he states to have been the result of twelve years' official experience: —

"It is often said, that in order to get efficient service good pay must be offered. But this is not true as applied to first appointments of young men. On the contrary, it will often happen that the largeness of the temptation, by bringing into activity the most powerful interests through which abuses of patronage are engendered, will lead to the appointment of a worse man than would have been obtained by a smaller offer. On the other hand, though men of promise are to be *had* cheap, whilst they are young and their value is little known to themselves or others, they cannot, when this is no longer their condition, be kept for a small consideration, or at least kept contented. But a reasonable degree of contentment is of essential importance where the understanding is the workman. There is no position so strong as that of a man who stands upon his head; and if he be not induced to the activity of just thinking and clear reasoning, he will hardly be coerced to it. Upon the whole, therefore, I would say, that what is most conducive to good appointments in the first instance, and thenceforward to deriving benefit from them, is to offer small remuneration to the beginner, with successive expectancies proportioned to the merits which he shall manifest, and of such increasing amount as shall be calculated to keep easy, through the progressive wants of single and married life, the mind of a prudent man. Upon such a system, if unfit men belonging to influential families shall make good an entrance into the service, they will be more easily got rid of; since, finding that they have got but little in hand, and have but little more to look to, they will hardly be desirous to continue in a career in which they must expect to see their competitors shoot ahead of them."

The following is an account of the total amount of salaries, morning money, gratuities, &c., paid to the servants of the Bank of England in London and at the branches, and of the number of persons to whom the said amount was paid, for the year ending the 29th of February, 1832: —

820	Clerks and porters, ...	£211,903 10*s.* 10*d.*
38	Printers and engravers, ...	
82	Clerks and porters at the branches, . .	
940,	Average £225 each.	

Amount of pensions paid in the same period, 193 pensioners, average £161 each, £31,243 18*s.* 11*d.*

Securities. — In all banks the clerks give sureties for their integrity, — usually two, of £500 each; and in some banks these amounts are increased on accession to higher offices. Of late years, societies have been formed, both in England and Scotland, for the purpose of giving, on the part of clerks and others, the amount of security required. These societies allege that, —

"Suretiship by private bondsmen is attended with various inconveniences and objections; instances have constantly occurred in which persons of the highest respectability have been obliged to forego valuable appointments, from either the great difficulty of obtaining security, or a repugnance to place their relatives or friends and themselves under the obligations involved therein. The society undertakes, on the annual payment of a small sum, to make good in case of default by fraud or dishonesty any losses which may be sustained to an amount specifically agreed upon, and

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by such means obviates the necessity for private sureties, as well as the obligations arising therefrom, which often prove as prejudicial to the best interests of employers as to the party seeking guarantee.

"The association offers to the public the following advantages:—

"To the employed.—It obviates the difficulty of obtaining the requisite securities for personal integrity, which has often placed an insuperable barrier in the way of many persons of the highest character and ability; it affords facilities to those in pursuit of employment, and relief from the embarrassment attendant upon asking, with the uncertainty of obtaining, private suretiship; and removes that weight of obligation and discomfort which such engagements necessarily impose.

"To the employer.—The ample capital of the association, with the power and supervision lodged in the Board of Trade, renders the policy of the company much more valuable than that of any individual, inasmuch as it is not liable either to doubt or depreciation. In large establishments, both public and private, where the securities are numerous, and the sureties often resident in many different parts of the country, and known only by repute, it becomes nearly impossible to watch over their continued existence and solvency; and cases of default have frequently occurred when, upon investigation, it has been found that all the sureties have been dead for many years.

"The rates are from 10*s.* per centum per annum, and upwards (according to the nature of the employment), on the amount of security required.

"No charge is made for stamp duty except in special cases; the usual legal expenses of surety bonds will therefore be entirely avoided by persons who enter on their respective duties under the guarantee of this society.

"A reduction is made in the premium on the sixth annual payment."

The Lords of the Treasury, and a great many banking companies, have accepted the guarantee of these societies.

A new society has recently been formed, entitled "The United Guarantee and Life Insurance Company," the object of which is to grant policies for fidelity of trust, combined with policies of insurance on life, or with deferred annuities or endowments. The following are extracts from the prospectus:—

"Public guarantee and life insurance are, in principle and practice, so closely assimilated, that they may be fairly recognized as the relative accompaniments of each other, and their specific advantages are here mutually presented to the public at a considerable reduction of premium.

"In order to provide against the numerous cases of hardship and constant uncertainty to which private bondsmen are exposed, the directors confidently recommend the combined application of the two principles to all classes who may be called upon to assume the risk, or who may stand in need of it from others.

"The superiority of the policies of a public company has, in consequence of the serious losses which have arisen from decayed or depreciated sureties, induced the heads of public institutions and private mercantile firms to require those engaged in their service to provide the guarantee of a public company, in lieu of, and in preference to, that of private individuals. How much more valuable must that surety become when strengthened and additionally secured by the contingent personal interest (increasing yearly in value) of insurance on life?

"The life policies thus issued, payable either at a given age, say 50, 55, 60, and 65,—or at death, should that event take place before,—or for the whole term of life,—and the deferred annuities, so granted in conjunction with the fidelity policies, will, in the event of breach of trust, be cancelled, and the premiums paid thereon forfeited. This, however, can only occur by a voluntary act of the insured themselves, and will not in any other respect affect the value of the life policies or annuities.

"Particular attention is requested to this system of granting deferred annuities, in conjunction with policies for the fidelity of the annuitants; by which it will be seen that, upon paying a moderate sum annually to this company, any young man of approved character may secure, in addition to a policy for his fidelity, a certain provision of £50 per annum for the remainder of his life, commencing at the age of 50 or upwards.

"To the provident among that numerous class of persons who either hold or are

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seeking situations of trust and responsibility, this company offers the most complete substitute for pensions in old age, which may thus be secured by the insured themselves.

"The value of this union of the two principles will be extended to parties who desire surety policies, and whose health may not be sufficiently sound to render their lives insurable at the ordinary rates; and who may endow a child to receive, say £100, upon attaining the age of twenty-one, — a plan which will be found preëminently advantageous to those engaged in occupations of trust, and of limited income.

"It will be manifestly apparent that the risks thus combined will render the surety policies so granted infinitely preferable to those provided by private sureties and other guarantee companies; and that they hold out to the employers increased security, by making the insured specially interested in their own good conduct; and to the employed or assured, they insure a greater share of confidence from their employers, and independence to themselves, than under the common form of policy, and they are relieved in a great degree from paying for the dishonesty of others.

"Should the insured at any time wish to discontinue the surety policy, the life policy will not be affected thereby, but will remain in force upon payment thenceforth of an annual premium to be specially calculated.

"To persons whose lives are insured in this company, and who may, at any future time, require policies for their fidelity, the directors will be prepared to grant the same, in conformity with the regulations of the company, on the payment of a moderate addition to the premium chargeable on the life policies alone."

The claims of the society are further set forth in a pamphlet on "Public Guarantee and Private Suretiship," published by its secretary, Mr. James Knight.

In the year 1841 the Bank of England took measures for discontinuing the system of requiring sureties from the clerks. Every clerk subscribed annually two shillings per cent. upon the amount of his surety bond. When he had subscribed in the course of five years (or immediately, if he chose) ten shillings per cent., the liability of his sureties ceased. Every new clerk subscribes, when admitted, ten shillings per cent. on the amount of the bond he would otherwise give. These contributions are invested in the Three per Cent. Reduced, or Consols. This fund is fixed at £6,000 stock. When at this amount, the interest is given to the "Clerks' Widows' Fund," a fund established by the clerks, with the assistance and support of the bank. When the claims have reduced the guarantee fund below £6,000, the interest goes to this fund until it has increased to this amount. If the claims reduce the fund so low as £4,700, then the clerks are required to make a further contribution until the fund is again raised to £6,000. But this contribution is never more than two shillings per cent. per annum on the amount of their respective bonds. Nor can any claim be brought against the fund greater than the amount of the bond that would have been required from the defaulter. The clerks still give their personal bonds, which are for the full amount of their deficiencies. This is an admirable plan for a large establishment. In adopting it, the directors have shown a sound discretion, as it makes all the clerks interested in watching over one another. At the same time, they have manifested that kindness and goodwill which have, we believe, at all times distinguished the directors of the Bank of England in their conduct towards their clerks.

V. The System of Promotion.

It need hardly be observed that some posts in a bank are more import-

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ant than others; and it is always desirable that the most clever men should occupy the most important posts. This object is desirable, but how is it to be attained?

The three main divisions of employment in a London bank are, the cashier's department, the accountant's department, and the teller's or out-door department. All the clerks enter, in the first instance, in the tellers' department, and their first duties comprise the collection of the payment of bills. The senior tellers are occupied within doors in various duties connected with the out-door operations. From this department, as vacancies occur, the clerks are promoted to higher posts in either the cashiers' or the accountant's department.

It is, of course, only in large banks, where there is necessarily a great subdivision of labor, that these three departments exist in a separate form. In smaller banks, though the duties are the same, yet one clerk may, in one day, perform duties belonging to each of the three departments.

The Cashiers' Department. — The cashiers* of a bank stand at the counter, and attend to the public. These officers, in Scotland, are called tellers; but in Scotland their duties are less important, as tellers pay no cheques until they have been marked by the accountant, who is their superior officer. We should form a very inadequate idea of a cashier in a London bank, if we considered him only as a mere counter of money. Quickness in counting money is indeed one very necessary qualification. But, besides this, he should have such a mental organization that he can recollect the general average of each customer's balance, so as to be able to pay their cheques without a too frequent reference to the ledger-keeper. He should also possess a quickness of eye in detecting forged signatures, — a self-possession, so as to be cool and collected when the counter is thronged with people, — a command of temper, so as not to be irritated by undeserved reproach, — and not only a general courtesy of manner towards the public, but a peculiar urbanity towards the customers of the bank, with a readiness and an anxiety to promote their convenience in any matter on which they may require information or advice. In fact, it may justly be said, that there is no class of clerks on which the reputation of a bank with the public so much depends as on the cashiers. And hence, in London banks, those clerks who are deemed the quickest, the most able, and the most gentlemanly, are usually promoted to this office.

The *Accountant's Department* refers to the keeping of the books and the accounts. The main qualifications for the clerks in this department are, good hand-writing, accuracy in figures, and method in the arrangement of their work. Slowness is no positive disqualification, provided it be associated, as it often is, with application and perseverance. An accountant is not compelled to do any given quantity of work within a given time. By a proper arrangement of his duties, he can usually contrive to keep himself pretty equally employed during the whole of the day, and on busy occasions he can perform what remains in the evening, after the hours of public business. A steady perseverance is of the first importance. But we must distinguish between those qualities required in the clerks of the accountant's department, and those required in the accountant himself.

* In the United States termed Tellers. — Am. Editor.

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The chief accountant in a bank is not a mere book-keeper. It is one thing to keep a set of books previously prepared and arranged, and another to frame a set of books, or a new system of book-keeping, adapted for any operation that is proposed to be carried on. In the latter case, mental powers are required that are by no means common. And even where a system is established, the chief accountant of a bank will often have occasion to consider the best way of passing certain transactions through the books, of framing abstracts of operations which the books may not immediately supply, of making difficult calculations, and of examining lengthy and complicated accounts, and exhibiting them with clearness and brevity. A good system of book-keeping, and a clear-headed accountant, would have prevented many a bank from stopping payment.

From this statement of the qualifications of cashiers and accountants, it will appear that most clerks will be more fitted for one office than the other, and it is desirable that each clerk should be placed in the department for which he is best adapted. Where there is no peculiar adaptation, and where there is no marked difference, among the clerks, the promotion should go according to seniority, — not seniority in regard to age, but seniority according to the time they have been in the bank. But it will often happen, not only in the first, but also in subsequent steps of advancement, that the clerk who is entitled to a vacant post by length of service, is not so well qualified for it as some of his juniors. But even in this case, the individual should not be passed over, if he can perform the duties with an average degree of efficiency. Should he, however, be wholly unqualified, or fall below mediocrity in his qualifications for the office, there should be no hesitation in promoting over him some other clerk better adapted for the office. As, however, all such cases will give rise to some suspicion of favoritism, and as the party who is passed over is sure to think himself unfairly treated, it is desirable that the clerk thus promoted should possess such a marked superiority over the other, that no doubt can exist of the justice and propriety of the arrangement. On this subject, we again quote Mr. Taylor's "Statesman": —

"The claims of promotion are twofold: first, merit; second, length of service. And the difficulties to be considered are those which arise when these claims clash; that is, when the most meritorious officer is not he who has served the longest. And, having regard to the large public interests and the deep individual concernments with which they deal, it may be stated broadly, as a general rule, that merit, or in other words, industrious ability, should be the one essential consideration to be regarded in their promotion. But the question then arises, Will the judge be always incorruptible and infallible? And if not, how are injustice, favoritism, and abusive promotion to be guarded against? The answer, as I conceive, is, that there can be no perfect protection against these evils; that the principle (like most other principles) resolves itself into a matter of degree; and that the protection will be adequate in the main, if the rule of preferment by merit, as against seniority, be applied only where there is a marked distinction of merit. For there are divers securities, each of which may be more or less leaned upon, the aggregate of which will afford in the main all but a certain reliance, where the distinction of merit is marked. If motives of favoritism be at work, the most able and useful officer will, at all events, have a fair chance of being the favorite. But if he labor under some defect (as unsightliness, ill manners, &c.), which, without impairing his public utility, tends to throw him out of favor, he will nevertheless have that hold upon the self-interest of his principal, which he wants upon

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his good will. Further, of this intellectual order of men, there will hardly ever be ten brought together, of whom one will not have a *generally acknowledged* superiority to the rest. Even the vanities of men make them just, as umpires; and he who cannot pretend to postpone nine others to himself, will not consent to postpone himself to any but the best of the nine. It will be found, then, that a man's reputation amongst his fellows in an office will seldom fail to be according to his deserts, and that where the superiority is marked, the award of common repute will be both just and decisive; and being so, it will rarely happen that the patron will be induced by any motive of favoritism to brave the reproach of disregarding it. In short, it is the nature of industrious ability, acting through various methods and upon various motives, to vindicate its own claims under any system in which those claims are recognized; and the system which shall conform to this natural tendency, and be so framed as to legitimate the rising of what is buoyant, will be found to work the best.

"There is, however, a certain moderating hand to be applied, even in the preferment of merit. Except in urgent and peculiar cases, in cases of extreme necessity on the part of the service, or extraordinary endowments, and character also, on that of the individual, preferment should proceed, as Lord Bacon teaches, '*per gradus, non per saltus.*' For, besides the ordinary evils attendant upon sudden elevations, it should be observed that the hope, and not the fact, of advancement is the spur to industry; and that by a large dispensation of reward at once, which cannot be followed by like rewards in future, the patron sinks his capital, and forestalls that revenue of reward which should furnish him with resources of inducement through successive years. Moreover, if a man be advanced largely at once, there will not only be little room left for his further promotion, but that little room will seem less when measured upon the scale to which his ambition will now expand itself; for he who has advanced by a stride, will not be content to advance afterwards by steps."

VI. The Rules of Discipline.

As the discipline of the office must depend very much upon the chief clerk, a description of his duties will describe many of the duties of the other clerks.

The office of chief clerk requires qualifications of no ordinary kind. It need hardly be said that he should possess a thorough knowledge of the business of the office. He ought also to possess certain moral qualifications, such as a command of temper, a love of order and regularity, a rigid adherence to discipline, accompanied by kindness of disposition and of manners towards his colleagues, a gentlemanly and courteous demeanour, and, above all, he will be expected to exemplify in his own conduct those precepts it may become his duty to inculcate upon others.

The following are the principal duties of a chief clerk: —

To see that the clerks come at proper time in the morning, are not absent unnecessarily during the day, and that they do not leave the bank at night until they have finished their work. To see, by occasional inspection, that all the books of the office are kept in a proper manner; and where he finds this not to be the case, to give such instructions and admonitions as the circumstances may require. To see that during the day the counter is properly appointed, and that no delay takes place in attending to the wants of the public. For this purpose, it is desirable that his desk should be so placed as to command a view of the counter. To see, by occasional inspection, that the customers' books are written up in a proper manner; and in case of complaint, he will personally investigate the matter, and explain it to the customer. To see, early in the morning, that the balance was correct on the preceding night; and when otherwise, he will himself attend on the second or third evening, and direct that

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proper means be employed to discover the difference. To count, at such times as may be deemed proper, the money of the several cashiers, and when necessary to report thereon to the banker. To see that all the officers of the bank conduct themselves towards each other and the public in a courteous and gentlemanly manner, and to maintain throughout the office a proper state of discipline and subordination. To take charge of the stationery and other matters used in the office, and to prevent any loss or waste of any portion of the property of the bank.

Besides the points of discipline hinted at in the above description, there are others that may require more particular notice, as

Punctuality of Attendance. — To insure punctuality of attendance in the morning, some banks adopt the practice of keeping a book, in which every clerk writes his name on his arrival; and when the time has expired, a line is drawn, which shows who has arrived in time and who has arrived late.

Punctuality of attendance is an index of character. It may fairly be inferred that those who are the most punctual in the morning will be most attentive to their duties during the day; that they have formed the most regular habits, and are, consequently, the most deserving of promotion. Those, too, who are the most punctual are the most deserving of occasional holidays. They who are habitually late must be regarded as having chosen to take their holidays by piecemeal each day, and they can therefore have no claim to other holidays besides. In all applications for promotion or leave of absence, it is deserving of inquiry, whether the party is usually punctual in his attendance. With regard to absence from illness, it cannot be supposed for a moment that any clerk would pretend to be ill when he is not so, in order to have an excuse for absenting himself from the bank. An act of this kind would show such a want of personal honor as should be a disqualification for holding any office in a bank.

" Few things occasion more dissatisfaction and annoyance to the superiors in a bank than the absence of clerks on every slight attack of illness. Unless a clerk feels himself quite unable to perform his duties, it is very injudicious for him to absent himself. It interferes with his promotion, for his superiors will be reluctant to advance him to any post where his absence would be more inconvenient than while he is engaged in an inferior situation. In addition to this, the superior in the office may attribute the attack of 'bile' or 'indigestion' to the indulgence of a convivial taste, which it will be well for a clerk to avoid obtaining a character for. And, under any circumstances, a man who continues at his post as long as he is able, will stand much higher in the estimation of those with whom he is engaged, than he who forsakes his duties on every trivial occasion." (*The Banker's Clerk*, p. 151, an excellent little work, published as one of the series in the *Guide to Service*, by Mr. Charles Knight.)

A clerk should take care of his own health. We think it is better for him to stand than to sit at his work. His desk should be raised to such a height that he can do this without stooping. He should at all times avoid pressing his chest against the edge of the desk, as that may produce serious complaints. The post most friendly to health is that of cashier.

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He is generally standing; his attention and mental faculties are in more constant activity, and he is obliged to talk, which is useful to the lungs. It may be doubted whether the exercise of the intellectual faculties, when not carried to excess nor attended with anxiety, is ever injurious to health. Those mental operations which are connected with the office of a bank clerk are in themselves beneficial. It is the confinement, the impure air, and the keeping of the body too long in one posture, that affects the health. Hence, clerks should live at a distance from the bank, and *walk* to and fro. If they reside at the bank, they should take exercise in the open air, either in the morning or the evening. When the weather is bad, they can walk up and down the room, with the windows open. Any kind of amusement that should throw the body into a variety of attitudes, would be useful. Singing is friendly to health, if not carried to excess, nor practised in confined or crowded apartments. Boating, in moderation, is serviceable. Gardening is highly beneficial. A clerk who wishes to enjoy good health should never keep late hours, nor get into debt, nor gamble in the funds. He should also have a hobby, that is, some kind of fixed amusement to employ his time when absent from the bank, in order to change the current of his thoughts, and to counteract those evils that sometimes arise from a monotony of occupation. If this hobby should be of a kind to be useful or instructive as well as recreative, all the better. The great disease against which he should guard is consumption. He will be more subject to this in youth than in more advanced age. And it has been remarked that healthy young men, fresh from the country, when appointed clerks, have become more susceptible of consumption than less robust persons who have been seasoned by a residence in London.

The Bank of England have a medical gentleman who attends at the bank one hour every day. He is employed by the directors upon matters connected with the health of their clerks. Every clerk, when appointed, is examined, to ascertain that he is in good health. If he applies for leave of absence on the ground of ill health, he undergoes a medical examination. If absent from illness, he is visited by the bank surgeon, who reports to the directors upon the nature of his complaint, and its probable duration. If a clerk complains that his employment is injurious to his health, he is examined, and in some cases his employment is changed. If he applies for a pension on account of age or illness, he is also examined. In each of these cases a formal medical report is drawn up, and laid before the directors. The present surgeon is Mr. Alfred Smee, F. R. S., of Finsbury Circus, a son of the chief accountant of the bank. It is not his duty to prescribe for the clerks; but in the case of the porters or messengers, he acts as their medical attendant, and is paid by the bank.

It is worthy of inquiry, whether this excellent arrangement might not be extended, and adopted by other banking institutions. Why should not every large company give a fixed salary to a medical man to attend to the health of all their clerks? This would often be useful in preventing illness, or in checking its first approaches. It would thus preclude, in some cases, those inconveniences which are now felt through the absence of

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sick clerks; while it would be a boon to the establishment, and save them what, in some instances, must be a heavy item of expense.

Holidays. — It is desirable, on several accounts, that all the officers of a bank, and especially those who are intrusted with cash or other property, should once a year have leave of absence for at least a week or a fortnight. This should not even be optional; it ought to be a fixed rule with which they should be expected to comply. These absences should be arranged to take place at those seasons of the year when they will be of the least inconvenience to the business of the bank. These holidays ought to be readily granted on the ground of kindness and humanity; but where these feelings do not exist, motives of self-interest alone would prompt a ready acquiescence in such applications. In the first place, a great inconvenience is often experienced in large establishments from the illness of the clerks when they are denied proper seasons of relaxation. In this case, the loss of time from ill health is greater than that which would be occasioned by holidays. A sick clerk, even when he attends to his duties, is neither so quick nor so correct, nor can he get through so much work, as a clerk who, by proper recreation, has been kept in perfect health. These occasional holidays tend very much to improve the efficiency of an office. When a clerk is absent, the next in seniority takes his place; and when all the clerks have been absent in turn, every duty in the bank becomes perfectly familiar to at least two persons, so that in the case of those absences which airse from unavoidable causes, little inconvenience comparatively is felt. But while the bank is thus rendered independent of any one individual, it must not be supposed that the absence of a clerk lessens the importance attached to his services. When a clerk is really efficient, an occasional absence renders his value more apparent, and increases the estimate formed of his character; while the indulgence he has received will stimulate his energies and increase his desire to render himself more than ever useful to his principals.

Another advantage to a banking establishment from the absence of their clerks is, that it furnishes an additional guarantee for their honesty. We have known instances of frauds being carried on for several years by clerks who were constant in their attendance, while a single day's absence would necessarily have led to a detection of their dishonesty. When a clerk takes his holidays, all the property under his care is given over into other hands, and the knowledge that he will be called upon to do this periodically, may deter him in the first instance from commencing a career which must thus be necessarily exposed.

The following is stated in a city article of the *Times* to be the arrangement of the Bank of England on this subject: —

"It is not generally known that the Bank of England have recently entered into an arrangement by which all the persons on the establishment are allowed leave of absence once every year, the holiday varying in length according to the length of service. To carry out this plan, the whole number of persons is divided into four portions, and each of these four portions takes the vacation in one of the four periods of the year that follow the payment of the dividends, and precede the shutting, these being the periods in which the least business is done. So complete is the system, that the parties who take their holiday in the spring quarter one year, take it in the summer quarter in the year following, and so on through all the four, that one may not have an unfair

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advantage over the other. The shortest holiday, we understand, is about nine days, and the longest about three weeks."

Customers' Books. — It should be a great object with the chief clerk to see that the customers' books are written up correctly and neatly, in a good hand-writing, and free from blots or erasures. These are the only books that go out of the bank, and therefore they are the chief means by which the customers can judge as to the manner in which the business of the office is conducted. It is not advisable that the writing up of these books should be left to the junior clerks. They should be placed in the hands of clerks of some standing. The same book should always be written up by the same clerk; and, when it can be so managed, the credit and debit side should both be in the same hand-writing. One of the best writers in the office should be appointed to this post, and his salary should be proportionate to its importance.

It is the practice of all bankers to let the customers' book be a copy of the ledger with the sides reversed; thus the credit side of the ledger is the debit side of the customers' book. The reason assigned for this is, that the ledger is the banker's account against his customer, and the book is the customer's account against the banker. Hence the customer, when he looks at his book, has at his left hand the sums with which he has debited his banker, and at his right the sums which are to the banker's credit.

Cashier's Deficiencies. — It cannot be expected that a cashier can receive and pay away money for a whole year, and yet never make any mistakes. Some deficiencies will be sure to arise. Each cashier is considered liable to make good his own loss. But, to meet these deficiencies, some banks allow to each cashier a certain sum, — say £ 20 or £ 30 per annum, — which is called risk-money. Others pay such deficiencies as may arise during the year, giving an admonition to any cashier whose deficiencies are unusually large. Superior accuracy in this respect is also considered as one test of superior merit, and therefore as forming one claim to promotion. When a cashier takes his holidays, he delivers up his cash to the chief clerk, who counts it and sees that it is correct, and then delivers it to the clerk who is to act for the cashier, who signs an acknowledgment in the money-book that he has received the right amount. The cashier, on his return, will make a similar entry. It is said to be the practice in some establishments for the chief clerk to count the cash of all the cashiers every Saturday night. But when, from the extent of the business, this cannot be done, he counts the cash of each cashier individually, at such times as may be most convenient to himself, giving the cashier no previous notice of his intention to do so. He immediately reports to the banker any deficiency he may discover. In all banks it is understood that the cashier is not allowed to apply any part of the bank money, even temporarily, to his private use, nor to lend any sum, however small, to the other clerks, upon their I. O. U.s or other engagement. Any violation of this rule, though with no fraudulent intention, is considered a sufficient ground for instant dismissal.

Gambling in the Funds, or in Shares. — Some banks make it a rule to dismiss any clerk that is found to be engaged in transactions of this kind.

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The evil effects of such practices are very great. Speculative engagements will necessarily distract their minds, and draw their attention from their official duties. If unfortunate, their personal comforts may be diminished: they may incur debts that will require years of saving to liquidate, or they may be tempted to actions which would ruin themselves and disgrace their families.

VII. The Training of Clerks for higher Offices.

Whatever natural talents a young man may have when he enters a bank, he cannot be expected to perform his duties well until he has been instructed. There is a good way and a bad way, a quick way and a slow way, of performing even the most simple operation. Incorrect or slovenly habits, when once acquired, are not easily abandoned. When, therefore, a young man enters a bank, he should be placed under the tuition of another clerk, well qualified to instruct him with regard to all his immediate duties. It is also desirable that the chief clerk should not have much manual labor, but should have leisure to walk round the office, stand for awhile at the elbow of each clerk, observe his peculiar defects, and give such instructions as he may deem necessary or useful. The senior clerks generally should also be ready at all times cheerfully and courteously to give instruction to their juniors.

There are many ways of ascertaining the relative merits of a clerk. There is one obvious way; that is, to inspect the books which he keeps. It can readily be seen if they are kept in a good and neat hand, if there are any blots or erasures, and if they indicate any great degree of carelessness or otherwise. Quickness is generally an evidence of cleverness. A clerk who can count notes very fast, or who can cast up a long column of figures very quickly, and yet accurately, is generally a clever man. Quickness of hand denotes quickness of head, and it will generally be found that these two kinds of quickness go together. We do not say that this mechanical quickness of head proves soundness of judgment, but neither does it prove the reverse. In a clerk it is a decided recommendation.

Another test of the cleverness of a clerk is, the opinion formed of him by his fellow-clerks. When men associate together day after day for a number of years, both their excellencies and their defects become known to each other, and each man falls into the position to which his qualities entitle him. The opinion which any one clerk expresses of the relative merits of the other clerks will generally be correct, when his own interest is not concerned. The opinion he may express will, in fact, be the opinion of the office, formed, not only on his own experience, but also on the experience of all the other clerks.

The report of the chief clerk will generally express this united opinion of the office. But it is well for a banker to keep himself well acquainted, at all times, with the sentiments generally entertained by the chief clerk respecting the other clerks, and not ask his opinion merely when there is an opening for promotion. On these occasions, feelings of kindness, or the reverse, may induce a chief clerk to speak of the party in a somewhat different tone from that which he would employ in ordinary times.

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With a view to the proper training of clerks, it is desirable that there should not be too many in proportion to the work. If the clerks are unemployed for any considerable portion of the day, their habits of attention, of industry, and of quickness are impaired, so that they do less work even in those hours in which they are occupied. The duties of each clerk should be sufficiently heavy to require a continuous application of the mind during the whole of the working hours. If a banker find that the clerks have time to read books or newspapers, or to carry on either gambols or quarrels among themselves, during the hours of business, he may safely infer that he has too many hands. By reducing the number, he will make each clerk more efficient, and the work will be better done. He will also be able to increase their salaries individually. It is better that the same amount of money should be distributed among a smaller number of effective men, than among a larger number who are less effective. The amount of Christmas money received by each will also be greater.

For the purpose of training the clerks, it is desirable that their labors should be so subdivided as that the duties of one office should be a training for the office immediately above it. The clerk, on his entrance into the bank, will thus have to perform those operations that require the least degree of professional knowledge, — of knowledge peculiar to the business of a bank, — and will advance step by step (each step requiring but a small addition to his previous knowledge) to the higher posts. When it is ascertained for which department — the cashier's or the accountant's — the teller is best adapted, he should be put into that post the operations of which will form the best training for those duties which, when promoted, he will have to discharge.

The occasional absences of the clerks are conducive to their improvement. The juniors thus learn to perform the duties of their superiors. New arrangements are formed temporarily for a different division of labor, and, the hands being fewer, an additional stimulus is given to exertion. It is also useful, when it can be done, for the clerks to change occasionally, and do each other's work. Every clerk should be encouraged to suggest any improvements for abridging or facilitating his own labor. When a bank has several branches, it is often advisable that an occasional absence at one branch should be supplied by a clerk brought from another branch. A good inspector of branches will inspect the cashier's and the accountant's department, as well as the manager's; and when he finds any improvement at one branch, he will introduce it into all the other branches.

But the greatest stimulus to improvement in the clerks is an impartial system of promotion. It is, perhaps, desirable that instances should occur sometimes of a clerk who is entitled to a higher post, from seniority, being unfit to take it, in order to show that superior merit is regarded. But it should always be obvious that the clerk who is promoted has superior merit. If a clerk is put over the head of another from favoritism, or caprice, on the part of the banker, or from the influence of friends, customers, or shareholders, or even for qualities good in themselves, but not increasing his efficiency as a clerk, then will great evils arise from his ap-

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pointment, even though he should be as well qualified as the man who was entitled to the post from seniority.

Another effectual means of training clerks is the daily balance.

The books are balanced every night, before the clerks leave the bank. But mistakes will necessarily occur during the day, and to discover these will occupy a little time. The total amount of error is called "the difference"; and to endeavour to discover the error is called "searching for the difference." Those clerks who are thus employed in the evening are said to be "upon the balance." In large establishments, it is usual to divide the whole body of clerks into classes, who take it in turn to be "upon the balance." By this arrangement, all those who are not "upon the balance" can leave the bank as soon as their own work is done. The smaller the number of clerks on the balance, the better. Thus, in a bank of forty-two clerks, six would be sufficient to be on the balance. If a larger number — say twelve — were retained, the juniors would do nothing, or else they would be employed on the inferior books, from which they would learn nothing. But when only six are retained, they must all work, and what is better still, they must all think. They will all acquire a thorough knowledge of the whole system of book-keeping, and be able to ascertain in what way errors in one book may counteract errors in another book, and how the errors discovered will bear upon "the difference." In large establishments, almost the only way in which a junior clerk can learn the whole system of book-keeping, is from being "upon the balance." But this is an effectual one. It also gives him an opportunity of showing his talents. Some clerks are far more quick in discovering the difference than others are; and this quickness is generally a fair criterion of the general talent of the party. The clerk who "skulks" the balance, avoids the best means of improvement, and the best opportunity of showing his talents. But such persons have usually no talents to show. A clerk who acts in this way betrays a consciousness of being a fool.

The remaining Sections of Mr. Gilbart's work are devoted to the following topics: —

XII. Bank Book-keeping, — Bill Department. — Forms of Books.
XIII. Banking Calculations, — Forms of Exchange, — Accounts, &c.
XIV. Banking Documents, — Bonds, — Drafts, — Letters of Credit.

PART SECOND. — OF BANKING INSTITUTIONS.

XV. The Bank of England, — its Charter, Administration, &c.
XVI. London Private Banks, — Historical and Statistical Account of; with Details of the Clearing House.
XVII. The Joint-Stock Banks of London. 1. London and Westminster Bank. 2. The London Joint-Stock Bank. 3. The Union Bank of London. 4. The Commercial Bank of London. 5. The London and County Bank.
XVIII. The Country Joint-Stock Banks, — Names of, — their Administration, &c.
XIX. The Banks of Scotland. — Failures of Scotch Banks — Existing Banks and Capital, — Comparative Views. — Scotch Currency, — Cash Credit System.
XX. The Banks of Ireland, — Historical and Statistical Account of.
XXI. The Moral and Religious Duties of Bankers.
XXII. Ten Minutes' Advice about keeping a Banker. (This chapter was published in the *Bankers' Magazine*, Vol. IV.)
XXIII. Summary, — Appendix, &c.

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BANK STATISTICS.

New York.

Extracts from the Annual Report of the Comptroller, December, 1850.

The Banking System. — The currency of the State is in a sound and prosperous condition. Not a single bank failure has occurred during the past year. The business of banking, under the general banking law, is rapidly increasing by the creation of new banks, and the deposit of additional securities, as a basis for circulation, by existing institutions. The principles embodied in the general banking law, as modified by subsequent legislation, have received the sanction of public approval, and may now be regarded as the basis upon which our banking system is permanently established.

The charters of the safety fund banks are gradually expiring, and there is reason to conclude that, as their present privileges terminate, the most of them will reorganize and continue their operations under the general banking system, in the manner authorized by the act of 1849. In making this transition from the old to the new system, they will be required to deposit specific securities with the Comptroller for the entire amount of their circulation.

The permanent investment of so large a portion of their capital will necessarily diminish their available means for the accommodation of the business classes, to a considerable extent, and some embarrassment must be expected to result from so important a change. But it is hoped that the temporary inconvenience thus produced will be compensated by the advantages attendant upon a system which imparts to the circulating medium the essential qualities of uniformity and security.

In the last annual report from this office, the attention of the Legislature was called to the approaching necessity of providing a more extended basis for the security of circulating notes to be issued under the general banking law. It is believed that this necessity has been reached. The formation of new banks, and the reorganization of expiring institutions, create a large and constantly increasing demand for the securities which the law authorizes the Comptroller to receive in pledge for registered notes. While the demand for these securities is thus increasing, the supply is steadily diminishing by the reduction of the State debt.

The present law requires that the whole amount of bills issued from the bank department shall be secured by the hypothecation of an equal amount, which may consist of New York stocks exclusively, or New York stocks and bonds and mortgages in equal proportions; or the stock security may consist in equal proportions of New York and United States stock. During the last year, the Commissioners of the Canal Fund redeemed $ 436,000 of the State debt, and the further sum of $ 870,000 becomes payable in January and April next. Of the $ 1,306,000 thus paid and to be paid, nearly one half had been pledged by the banks as a security for circulation. The same process of reduction must be con-

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tinued from year to year, by the application of the revenues of the Sinking Fund. The effect of this reduction, in connection with the growing demand for New York stocks for banking purposes and for foreign investment, has been to enhance the premium to high rates, which cannot be afforded by the legitimate profits of banking business. It is apparent, then, that some new species of securities must be admitted in place of our own stocks, already so difficult to procure, and which will continue to disappear from the market until the debt shall have been extinguished in 1868. The question arises, What form of security shall be substituted? What kind of public stock, safe and convertible in all emergencies, is within our reach and obtainable by bankers, without paying extravagant premiums? All will admit that no class of obligations should be received as a foundation for currency, which will not afford perfect protection to the bill-holder under the most unfavorable circumstances. After much reflection, the Comptroller is of opinion that the stocks heretofore issued by the cities of this State may safely be admitted on the same footing with New York and United States stocks. The principal amount of city debt now existing in this State consists of the stock created by the city of New York for the construction of the Croton Aqueduct. The security and availability of this stock is unquestionable. The smaller amounts issued by Albany, Troy, and Buffalo are considered equally valuable and substantial. No objection is perceived to the admission of stocks which may be issued hereafter by cities, provided the Legislature will first pass a law (as required not only by public considerations of policy, but by the express injunction of the constitution) restricting their power of borrowing money. The debt to be created by city corporations should be limited to a certain percentage on the assessed valuation of taxable property, and it should be made the duty of the authorities to levy an annual tax for the payment of interest. Under such restraints, their bonds cannot fail to be sound and convertible.

The Comptroller would also recommend that the banks be permitted to deposit United States stock exclusively, instead of requiring an equal share to be in stocks of this State.

The high premiums borne by State and government stocks, and the difficulty experienced in obtaining them, has turned the attention of bankers to bonds and mortgages as a basis for circulation, and the amount of these securities offered at the bank department is rapidly increasing. Bonds and mortgages on improved and productive real estate, possessing an intrinsic value, are considered a safe security for bill-holders, and many considerations may be urged in favor of a system which gives to landed property some of the facilities incident to other forms of capital, by making it an element of security in the creation and regulation of a paper currency. But in receiving mortgages, a rigid scrutiny is necessary to ascertain that the title is clear and the value unquestionable. The Comptroller has aimed to exercise the utmost vigilance in this respect, and to exclude all securities which were not deemed amply sufficient. A careful investigation of the nature and value of the mortgaged property is made peculiarly necessary, in consideration of the fact that some of the banks are mere banks of circulation, carried on in the

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names of distant and irresponsible parties, while the real owner, acting under powers of attorney, avoids personal liability, and no capital is employed or invested for the public security, beyond the stocks and mortgages deposited in the bank department, which in many cases are purchased exclusively from the proceeds of the bills obtained thereon. It is undoubtedly proper and expedient that mortgages should continue to be received to the extent now allowed, and under the restrictions now in force; but the Comptroller is of opinion, that any change increasing the proportion of securities of this description would be prejudicial to the system, and impair the public confidence in the stability of the currency.

The Comptroller deems it his duty to call the attention of the Legislature to the growing importance of the Bank Department, the extent of its responsibilities, and the magnitude of its labors. When viewed in all its aspects, it may be regarded as one of the most responsible branches of the State administration. The duties devolved upon it are arduous and delicate, requiring business capacity of a high order, firmness and integrity superior to all temptation. The people must rely upon the intelligent and correct discharge of those duties as their only security for the protection and integrity of their circulating medium. To all who are familiar with the extent and the complicated functions of the Comptroller's office, it must be evident that it is physically impossible for that officer to give to the Bank Department the personal care and supervision which should be exercised in the discharge of so responsible a trust. The present incumbent deems it due to his successors and to the public, to ask the Legislature to relieve the Comptroller from this portion of his official labors. This should be done by organizing the Bank Department into a separate and distinct office, to be placed under the charge of a commissioner clothed with all the powers and responsibilities, in respect to the banks and the currency, which are now vested in the Comptroller. Many considerations might be urged to sustain the expediency of such a change.

Incorporated Bank Department. — The annexed statement exhibits the names of the incorporated banks, the capital and circulation of each, the dates at which their charters will exprie, and the names and residences of their redeeming agents. It will be seen that the present number of chartered banks is seventy-three, and one branch; the aggregate amount of their capital is $27,664,860; the amouut of circulation to which they are entitled by law is $22,161,370, of which they have in actual circulation and on hand, $20,669,178.50.

Two banks are included in this statement whose charters will expire January 1, 1851; namely, the New York State Bank, capital, $369,600; Bank of Newburg, capital, $140,000.

These banks are in admirable condition, and have indicated an intention of continuing business under the general banking law.

The stockholders, or a majority of them, in three of the banks whose charters expired January 1, 1850, namely, the Bank of Utica, the Bank of Auburn, and the Bank of Ithaca, have reorganized by forming new associations under the general banking law, in pursuance of chapter 313, Laws of 1849. These banks are gradually returning their old circula-

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tion and receiving new notes secured by a pledge of public stocks deposited in the Free Banking Department.

There have been received, counted, and burned at the Incorporated Bank Department, during the year ending December 1, 1850, 501,471 mutilated bank-notes, amounting to $ 3,494,642, and during the same period there have been countersigned, numbered, and registered 569,780 new notes, amounting to $ 3,460,387, which were delivered to the banks entitled to the same.

Free Bank Department. — The whole number of banking associations and individual bankers organized and doing business under "The General Banking Law" is 136; viz. Banking associations, 71; Individual bankers, 65.

The whole amount of circulating notes issued to said associations and individual bankers outstanding on the first day of December, 1850, was $ 14,203,115, for the redemption of which securities are deposited, and held in trust by the Comptroller, amounting in the aggregate to the sum of $ 14,823,087.46, viz. : —

Bonds and mortgages,	$ 2,320,914.71
New York State stock, 4½ per cent.,	225,450.00
" " 5 "	4,245,690.92
" " 5½ "	1,071,400.00
" " 6 "	2,566,679.26
United States stock, 5 "	1,266,262.34
" " 6 "	1,628,218.85
Illinois State stock, 6 "	651,596.60
Michigan " 6 "	220,000.00
Arkansas " 6 "	375,000.00
Indiana " 2½ & 5 "	6,650.00
Alabama " 5 "	34,000.00
Cash in deposit for stocks matured and bonds and morgages paid,	212,106.88
	$ 14,823,087.56
Total amount of securities held Dec. 1, 1849,	11,916,806.39
Increase of securities from Dec. 1, 1849, to Dec. 1, 1850,	2,906,281.17
The total amount of circulation, Dec. 1, 1850,	14,203,115.00
" " " 1849,	11,180,675.00
Total increase of circulation from December 1, 1849, to Dec. 1, 1850,	3,022,440.00

The following new securities were deposited during the year ending Dec. 1, 1850, viz. : —

Bonds and mortgages,	$ 821,341.11
New York State stocks,	1,188,009.49
United States "	1,835,975.34
Illinois State stock, interest bonds on stocks heretofore deposited,	3,021.16
Cash on deposit for stocks matured, bonds and mortgages paid, and for banks closing their business,	62,773.55
	$ 3,911,120.63

The following securities were withdrawn during the year ending December 1, 1850, viz. : —

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Bonds and mortgages,	$153,470 88
New York State stocks,	618,986.58
United States stock,	174,100.00
Arkansas State stock,	49,000.00
Michigan State stock,	9,282 00
	$1,004,839.46

The entire number of notes numbered, countersigned, and issued (including exchange for mutilated bills) by the Free Banking Department, during the year ending December 1, 1850, was 1,754,812, amounting to the sum of $5,204,254.

Twenty-three banking associations and individual bankers have commenced business under the General Banking Law, during the year, viz. : —

Banking Associations. — Bank of Auburn; City Bank, Oswego; City Bank of Brooklyn; Bank of Fishkill; Hollister Bank of Buffalo; Marine Bank, Buffalo; Mercantile Bank, N. Y.; Ocean Bank, N. Y.; Pacific Bank, N. Y.; Syracuse City Bank; Bank of Utica.

Individual Banks. — Adams Bank, Adams; Citizens' Bank, Watertown; Eagle Bank, Brighton; Farmers' Bank, Hamilton County; Frontier Bank, Watertown; Freemen's Bank, Washington County; Hamilton Exhange Bank, Hamilton; H. T. Miner's Bank of Utica; Phœnix Bank of Bainbridge; Sullivan County Bank, Monticello; Western Bank, Washington County; Western Bank of Lockport.

The associations have deposited the following securities, viz. : —

Bonds and mortgages,				$143,420.00
New York State stock,	5	per cent.,		172,796.00
"	"	5½	"	64,000.00
"	"	6	"	137,716.00
United States stock,	5	"		117,500.00
"	"	6	"	317,576.30
				$1,134,008.30
Circulation issued on the above,				$966,468.00

The individual bankers have deposited, —

Bonds and mortgages,				$181,631.00
New York State stock,	5	per cent.,		159,799.50
"	"	5½	"	69,000.00
"	"	6	"	307,645.15
United States stock,	5	"		76,055.19
"	"	6	"	183,592.55
				$811,722.39
Circulation issued on the above,				$783,180.00

Four individual bankers have given notice of their intention to close their business, and have returned a portion of their circulation, viz. : —

Henry Keep's Bank, Watertown; Village Bank, Randolph; Cortland County Bank; Commercial Bank, Lockport.

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In pursuance of chapter 331, Laws of 1850, proper steps have been taken towards making a final distribution of the funds held by the Comptroller, for the creditors of certain insolvent banks and bankers. On the 1st of May last, a notice was given (of which a copy is annexed, marked L) to the holders of the circulating notes of twenty-six insolvent banks to present the same for redemption, within six months, as provided by law. The time allowed for this purpose having expired, the Comptroller will proceed, without delay, to distribute the residue of these funds among the holders of certificates given for balances due on the notes returned to this office. . . . . .

The Bank Fund.

Assuming that the banks continue to pay their annual contributions of one half per cent. on their capital until the expiration of their respective charters, the amount to be realized from this source is $ 994,225.60, which will be sufficient, with judicious management, to discharge both principal and interest of all outstanding claims against the Bank Fund. In addition to these contributions, there remains a mass of miscellaneous assets of the City Bank of Buffalo, the Commercial Bank of Buffalo, and the Watervliet Bank.

The amount to be realized from these deplorable concerns depends in some degree upon the result of certain litigations still pending. It is believed, however, that, with proper diligence, about $ 50,000 may be recovered from the assets referred to. The Comptroller has made every practicable effort to secure some returns from them, and with some effect, but he regrets to say that his success has not been commensurate with his endeavours.

Since the close of the fiscal year a final settlement has been made with the receiver of the Commercial Bank of Oswego, and the balance in his hands, being $ 1,644.33, has been paid into the fund.

An important question has been raised in relation to the liability of the banks to pay the annual contribution of one half per cent. on their capital for the last year of their duration. The Comptroller and his predecessors have entertained no doubt on this point, and the payment has been made by all expiring banks, without dispute, until the Bank of Utica and the Bank of Monroe contested the validity of the claim. The charters of these banks continued in force "until the first day of January, 1850." The Safety Fund act and the act of April 12, 1842, require every moneyed corporation subject to the act to contribute one half of one per cent. on its capital "on or before the first day of January in each year."

The ground assumed by the trustees of the banks referred to is, that, as their charters actually expired with the year 1849, they were not liable to make the contribution payable "on or before" the first day of January, 1850. Some other banks, which made the last payment voluntarily, now claim to have the money refunded, on the principle that it was paid under a misapprehension of the law.

The question is an important one in its bearing upon the ultimate sufficiency of the Bank Fund. If the remaining Safety Fund banks, in-

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cluding the Bank of Utica and the Bank of Monroe, shall escape the payment of the contribution for the last year of their chartered term, the loss to the capital of the Bank Fund will be $ 132,742.30, and to that extent impair the security of the creditors. It is feared that so large a reduction might render the fund insufficient to provide for the payment of the stock falling due in 1866.

The Comptroller has considered it his duty to place the claims against the Bank of Utica and the Bank of Monroe in the hands of the Attorney-General, and by mutual consent the question will be presented to the Supreme Court for decision as early as practicable.

The following is a statement of the amount that has been charged upon the Bank Fund for the redemption of bills and payment of debts of the several insolvent Safety Fund banks : —

Banks.	*Redemption.*	*Debts.*	*Total.*
Bank of Buffalo,	$ 435,540.00	$ 149,241.22	$ 584,781.22
City Bank of Buffalo,	217,111.48	. . .	217,111.48
Commercial Bank of Buffalo,	186,861.00	424,514.87	611,375.87
Commercial Bank of New York,	139,837.00	146,129.23	285,966.23
Wayne County Bank,	113,131.00	16,077.70	129,208.70
Commercial Bank of Oswego,	163,162.00	78,351.63	241,513.63
Bank of Lyons,	52,898.00	40,053.08	92,951.08
Watervliet Bank,	123,266.16	72,059.31	195,325.47
Clinton County Bank,	71,896.00	156,257.39	228,153.39
La Fayette Bank, New York,	38.00	. . .	38.00
	$ 1,503,740.64	$ 1,082,684.43	$ 2,586,425.07

Georgia.

Bank of Augusta.

Liabilities.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.
Capital stock,	$ 719,800	$ 650,700	$ 600,000
Circulation,	157,473	317,127	1,236,994
Individual deposits,	126,865	69,978	109,336
Profits undivided,	82,604	49,330	66,627
Due banks,	17	. . .	. . .
Total liabilities,	$ 1,086,759	$ 1,087,135	$ 2,012,957

Resources.	*April.* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.
Stock in Georgia Railroad and Banking Company,	. . .	. . .	$ 292,000
Loans and stocks,	* $ 972,480	* $ 827,197	988,674
Bank balances,	11,550	117,523	560,040
Specie on hand,	58,830	130,860	110,170
Notes of other banks,	36,374	8,620	39,564
Real estate,	. . .	. . .	22,403
Miscellaneous,	7,525	2,934	106
Total resources,	$ 1,086,759	$ 1,087,135	$ 2,012,957

* Including real estate.

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Augusta Insurance and Banking Company.

Liabilities.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 5, 1850.
Capital Stock,	$ 375,000	$ 375,000	$ 375,000
Circulation,	65,591	164,831	466,295
Deposits,	18,580	29,167	54,458
Profits undivided,	38,521	63,493	10,651
Total liabilities,	$ 497,692	$ 632,491	$ 906,404

Resources.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 5, 1850.
Notes discounted,	$ 106,866	$ 121,242	$ 208,136
" under protest,	100,018	71,743	55,230
Northern exchange,	30,558	54,764	112,590
Stocks owned by the bank,	96,730	90,235	61,435
Real estate,	36,513	52,723	35,803
Bank balances,	22,897	75,884	252,906
Advances, insurance, &c.,	33,545	50,050	93,308
Specie on hand,	34,633	108,210	51,300
Notes of other banks,	35,882	7,640	32,696
Total resources,	$ 497,692	$ 632,491	$ 906,404

Georgia Railroad and Banking Company, Augusta.

Liabilities.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.
Capital stock,	* $ 2,289,284	$ 2,289,200	$ 4,000,000
Circulation,	221,753	295,212	609,260
Deposits,	377,596	804,582	125,148
Due corporations,	. . .	65,504	4,304
Bonds issued,	574,900	. . .	683,070
Profit and loss,	532,684	635,616	544,322
Assessment on stock,	. . .	. . .	463,223
Total liabilities,	$ 3,996,217	$ 4,088,114	$ 6,429,327

Resources.	*April* 6, 1846.	*Oct.* 4, 1847.	*Dec.* 3, 1850.
Railroad outfit, extension, &c.,	$ 3,272,677	$ 3,433,616	$ 3,874,904
Banking-house and other real estate,	129,365	132,473	116,664
Bonds, stocks, advances, &c.,	95,503	103,088	347,336
Due by banks and agents,	29,416	84,308	49,565
Bills receivable,	188,780	204,528	525,900
Specie on hand,	49,516	74,984	110,070
Salaries, interest, expenses, &c.,	177,700	. . .	198,225
Notes of other banks,	53,260	55,117	70,013
Increased stock,	. . .	. . .	1,021,110
Dividend No. 19,	. . .	. . .	115,538
Total resources,	$ 3,996,217	$ 4,088,114	$ 6,429,327

* Banking capital $ 375,000.

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Bank of the State of Georgia and Branches.

Compiled for the Bankers' Magazine, from the Official Reports.

Liabilities.	*Oct.*, 1845.	*April*, 1846.	*Oct.*, 1847.	*Dec.* 5, 1850
Capital stock,	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Circulation,	518,823	733,510	866,852	2,388,379
Individual deposits,	398,453	464,136	386,020	824,255
Bank balances,	. . .	57,952	56,270	. . .
Balances between branches,	5,774	472,732	364,650	. . .
Surplus profits,	80,128	89,242	86,910	91,010
Total liabilities,	$ 2,503,178	$ 3,317,572	$ 3,260,702	$ 4,803,644

Resources.	*Oct.*, 1845.	*April*, 1846.	*Oct.*, 1847.	*Dec.* 5, 1850.
Discounted notes,	$ 1,212,050	$ 1,317,147	$ 1,322,474	$ 1,485,864
Bills of exchange,	172,873	419,524	276,032	1,421,120
Stocks, bonds, &c.,	363,185	333,776	369,306	171,395
Real estate,	163,140	156,103	148,970	126,260
Bank balances,	57,593	96,363	217,133	342,044
Balances between branches,	. . .	474,010	353,694	483,382
Notes of other banks,	34,907	93,473	82,442	147,626
Specie on hand,	466,567	395,246	466,547	618,773
Miscellaneous,	32,863	31,930	24,304	7,180
Total resources,	$ 2,503,178	$ 3,317,572	$ 3,260,702	$ 4,803,644

Mechanics' Bank, Augusta.

Liabilities.	*April*, 1846.	*Oct.*, 1847.	*April* 1, 1850.	*Dec.* 1, 1850.
Capital stock,	$ 500,000	$ 500,000	$ 500,000	$ 500,000
Circulation,	665,038	565,570	1,026,952	1,296,586
Individual deposits,	91,638	164,985	247,587	432,064
Bank balances,	69,933	43,218	249,073	166,244
Undivided profits,	122,156	114,013	* 176,415	161,791
Miscellaneous,	. . .	1,232	. . .	830
Total liabilities,	$ 1,448,765	$ 1,389,018	$ 2,200,027	$ 2,557,515

Resources.	*April*, 1846.	*Oct.*, 1847.	*April* 1, 1850.	*Dec.* 3, 1850.
Notes discounted,	† $ 724,664	$ 363,560	$ 319,588	$ 696,158
Bills of exchange,	† 446,082	372,313	1,318,748	1,351,868
Georgia and Augusta bonds,	. . .	142,390	62,252	20,000
Real estate,	. . .	70,132	55,565	47,000
Bank balances,	. . .	115,347	10,808	111,772
Notes of other banks,	124,914	23,970	80,335	118,980
Specie on hand,	152,698	239,780	345,925	210,436
Miscellaneous,	407	61,526	6,806	1,300
Total resources,	$ 1,448,765	$ 1,389,018	$ 2,200,027	$ 2,557,515

For further details relative to the Georgia Banks, see Vol. IV. pp. 355, 412, 865, 961.

* Dividend declared ten per cent.

† Including real estate and bank balances, &c.

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Bank of St. Mary's, Columbus, Georgia.

Liabilities.	*Oct.* 28, 1850.
Capital stock paid in,	$ 200,000.00
Notes in circulation,	572,785.00
Individual deposits,	62,531.87
Profits undivided,	45,954,21
Total liabilities,	$ 881,271.08
Resources.	*Oct.* 23, 1850.
Bills of exchange on New York, New Orleans, Mobile, &c.,	$ 393,168.61
Discounted notes,	91,116.06
Bonds, mortgages, and stocks,	34,749.72
Real estate,	14,579.37
Suspended debt,	13,249.95
Advances on cotton,	36,842.46
Gold and silver coin,	130,565.13
Notes of specie-paying banks,	55,816.00
Bank balances in New York, New Orleans, Augusta, &c.,	111,183.78
Total resources,	$ 881,271.08

Indiana.

Comparative View of the Liabilities and Resources of the State Bank of Indiana, 1846, 1847, 1848, 1850.

Liabilities.	*Nov.*, 1846.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1850.
Capital owned by the State,	933,854	968,054	982,404	1,008,604
" " by individuals,	1,147,970	1,114,820	1,100,506	1,074,346
Circulation,	3,336,533	3,606,452	3,552,210	3,421,445
Individual deposits,	409,990	555,774	452,625	556,433
Due to the State,	89,535	134,200	81,646	46,231
Bank balances,	47,886	34,545	82,293	112,175
Dividends unpaid,	31,832	25,710	21,581	27,662
Fund to cover losses,	413,563	453,444	527,800	750,678
Profit and loss,	23,820	77,176	125,454	131,860
Balances between branches,	73,310	69,150	71,420	6,168
Total liabilities,	$ 6,521,290	$ 7,039,324	$ 6,997,937	$ 7,135,602
Resources.	*Nov.*, 1846.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1850.
Bills discounted,	1,659,358	1,574,722	1,647,620	1,709,935
Bills of exchange,	1,359,385	1,464,076	1,791,320	2,414,951
Suspended debt,	577,647	460,115	442,600	270,213
Bank balances,	803,065	1,081,195	227,040	148,861
Branch "	68,534	81,272	148,640	. . .
Real and personal estate,	349,790	373,460	382,076	364,233
Funds *in transitu*,	113,578	247,700	231,156	247,048
Sinking fund and Treasury notes,	419,310	337,555	241,106	108,486
Indiana and United States bonds,	36,000	36,000	71,000	. . .
Notes of other banks,	119,976	299,250	147,451	224,842
Coin on hand,	1,003,647	1,083,980	1,273,896	1,197,880
Eastern funds,	. . .	. . .	394,025	449,153
Total resources,	$ 6,521,290	$ 7,039,324	$ 6,997,937	$ 7,135,602

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Bank of Tennessee, 1846–1851.

Liabilities.	*Jan.* 1, 1846.*	*Jan.* 1, 1848.*	*July* 1, 1849.	*Jan.* 1, 1851.
Capital stock,	$ 3,192,715	$ 3,226,976	$ 3,199,613	$ 3,193,881
Circulation,	1,293,247	1,532,324	1,327,700	1,995,202
Individual deposits,	325,020	257,252	382,070	353,760
Public deposits,	178,972	382,321	376,718	446,554
Dividend account,	461,478	. . .	633,788	786,380
Profit and loss,	361,400	. . .	516,995	464,100
Bank balances,	223,848	11,832	44,820	199,695
Miscellaneous,	53,316	99,000	. . .	953
Total liabilities,	$ 6,089,996	$ 5,509,705	$ 6,541,704	$ 7,439,925

Resources.	*Jan.* 1, 1846.*	*Jan.* 1, 1848.*	*July* 1, 1849.†	*Jan.* 1, 1851.
Discounted notes,	$ 1,930,994	$ 1,554,976	$ 1,587,238	$ 1,507,513
Bills of exchange,	685,510	1,273,874	598,583	1,763,704
Suspended debt,	670,290	343,325	888,300	710,848
State bonds,	274,750	266,746	333,895	372,890
Due by the State,	797,015	125,000	400,017	375,666
Real estate,	206,267	105,441	231,580	225,358
Bank balances,	406,541	159,840	475,761	333,585
Notes of other banks,	171,995	159,412	148,050	201,190
Specie on hand,	709,674	552,000	528,895	545,854
Loss on banking means,	. . .	777,360	. . .	. . .
Miscellaneous,	236,960	191,731	. . .	23,787
Interest on State bonds,	. . .	. . .	1,349,380	1,379,530
Total resources,	$ 6,089,996	$ 5,509,705	$ 6,541,704	$ 7,439,925

Michigan.

Michigan State Bank, 1848 – 1851.

Liabilities.	*Jan.* 1, 1848.	*Jan.* 1, 1849.	*Jan.* 1, 1851.
Capital,	$ 140,500	$ 148,700	$ 151,578
Circulation,	220,900	195,598	221,250
Individual deposits,	65,980	100,156	94,690
Undivided profits,	15,708	16,350	24,374
Miscellaneous,	2,470	4,498	778
Total liabilities,	$ 445,558	$ 465,302	$ 492,870

Resources.	*Jan.* 1, 1848.	*Jan.* 1, 1849.	*Jan.* 1, 1851.
Bills discounted,	$ 170,230	$ 206,166	$ 250,712
Judgments, State stocks, &c.,	61,285	53,232	89,400
Central Railroad 8 per cents.	61,120	54,900	38,333
Coin on hand,	61,965	58,326	34,940
Bank-notes,	23,892	6,214	13,296
Eastern bank balances,	65,478	84,822	111,632
Miscellaneous,	1,538	1,642	4,557
Total resources,	$ 445,558	$ 465,302	$ 492,870

* Report of the Joint Select Committee of the Legislature. See *Bankers' Magazine*, Vol. II. pp. 549, 550.

† See full Report, Vol. IV. pp. 754, 755, 756.

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Michigan Insurance Bank.

Liabilities.	*Dec.* 15, 1845.	*Jan.* 1, 1851.*
Capital,	$ 60,000	$ 167,010
Circulation,	112,627	242,592
Individual deposits,	261,625	177,642
Profits, &c.,	17,820	18,545
Bank balances,	. . .	36,202
Total liabilities,	$ 452,072	$ 641,992

Resources.	*Dec.* 15, 1845.	*Jan.* 1, 1851.*
Notes and bills discounted,	$ 245,230	$ 295,985
Special loans, advances, &c.,	17,820	. . .
Bank balances,	73,005	97,997
Coin on hand,	77,620	47,263
Bank-notes and checks,	31,327	47,700
Miscellaneous,	7,070	15,980
Collateral State bonds, for circulation,	. . .	137,067
Total resources,	$ 452,072	$ 641,992

Peninsular Bank, Detroit.

Liabilities.	*Jan.* 1, 1851.
Capital stock paid in,	$ 87,250
Individual deposits,	93,046
Circulation (net),	89,862
Miscellaneous,	8,682
Total liabilities,	$ 278,840

Resources.	*Jan.* 1, 1851.
Notes and bills discounted,	$ 72,285
Bank balances,	32,381
United States and Michigan bonds deposited with Treasurer,	100,030
Peninsular Bank stock,	25,046
Coin on hand,	18,788
Notes and checks of other banks,	25,156
Miscellaneous,	5,154
Total resources,	$ 278,840

Banking in New York. — The following is a copy of a bill relative to banking, introduced in the Assembly by Mr. Benedict, of Oneida County: — Sec. 1. No banking association or individual banker, carrying on banking business under the act to authorize the business of banking, shall engage either directly or indirectly in the business of brokerage, by the purchase or reception, at a discount, of the bank-notes of any of the banks of this State, or in coercing in any way whatever any bank of this State to redeem its bank-notes in any other place or manner than is now required by law. Any banking association or individual banker that shall directly or indirectly violate any of the above provisions, shall forfeit its charter, and be liable to pay damages to the party whom its operations may injure. 2. This act shall take effect immediately.

* For Report of January, 1850, see Vol. V. p. 360.

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New Jersey.

Recapitulation of the New Jersey Banks, 1846 - 1851.

Liabilities.	*Jan.*, 1846.	*Jan.*, 1848.	*Jan.*, 1850.	*Jan.*, 1851.
Capital Stock,	$3,672,700	$3,570,700	$3,596,720	$3,754,900
Circulation,	2,394,100	2,699,500	2,548,352	3,046,645
Deposits,	1,814,100	1,738,400	1,888,431	2,423,677
Bank balances,	. . . .	. . . .	. . . .	373,397
Miscellaneous,	675,100	750,600	858,781	643,361
Total liabilities,	$8,556,000	$8,759,200	$8,892,334	$10,241,980

Resources.	*Jan.*, 1846.	*Jan.*, 1848.	*Jan.*, 1850.	*Jan.*, 1851.
Loans, stocks, bonds, &c.,	$6,630,000	$6,383,500	$6,395,443	$7,492,566
Real estate, &c.,	319,300	404,600	393,001	279,900
Bank balances and notes,	1,012,100	1,331,700	1,483,186	1,816,616
Specie,	594,600	636,400	620,704	652,898
Total resources,	$8,556,000	$8,759,200	$8,892,334	$10,241,980

For the condition of each bank in 1850, see Vol. IV. p. 750.

Banks of New Jersey.

Compiled, for the Bankers' Magazine, from the Annual Statements of the Banks of New Jersey, January 1, 1851, communicated to the Legislature by the Treasurer of State, January 21, 1851.

Liabilities, *Jan.*, 1851.	*Capital.*	*Circulation.*	*Deposits.*	*Bank Balances.*	*Profit and Loss.*
Newark Banking and Insurance Co.,	$ 508,650	$ *202,424	$284,267	$ 92,553	$ 81,436
Mechanics' Bank, Newark,	500,000	* 172,162	299,870	70,440	39,945
State Bank, Newark,	400,000	* 149,500	220,904	57,960	44,716
State Bank, Camden,	260,000	† 203,420	271,440	12,966	53,180
Trenton Banking Company,	210,000	†* 183,270	234,891	14,912	62,400
State Bank, Elizabethtown,	200,000	* 138,060	107,935	13,326	32,675
State Bank, New Brunswick,	140,000	* 204,260	156,756	22,212	25,260
Belvidere Bank,	146,880	* 199,430	24,470	10,270	47,540
Sussex Bank, Newton,	134,480	* 159,990	38,590	. . .	18,525
Farmers and Mechanics' Bank, Rahway,	130,000	* 125,160	90,316	14,060	16,966
Orange Bank,	102,500	*71,948	28,130	3,390	10,660
Mechanics and Manufacturers' Bank,	100,000	†* 108,920	82,190	25,447	11,770
Union Bank, Dover,	100,000	150,680	45,490	4,464	14,040
Farmers' Bank, Mount Holly,	100,000	† 46,176	66,650	3,517	39,300
Princeton Bank,	90,000	† 62,715	98,830	3,810	495
People's Bank, Paterson,	75,000	143,730	15,790	7,720	2,501
Salem Banking Company,	75,000	† 69,760	32,753	. . .	12,405
Burlington County Bank,	70,000	† 52,050	48,205	1,550	16,210
Commercial Bank, Perth Amboy,	60,000	* 107,200	14,210	3,920	10,130
Cumberland Bank, Bridgton,	52,050	† 74,170	40,400	. . .	38,420
Farmers and Mechanics', N. Brunswick,	50,340	* 13,560	5,960	490	2,038
Farmers' Bank, Wantage,	50,000	92,250	9,700	150	4,462
Mechanics' Bank, Burlington,	50,000	† 54,680	58,980	5,760	20,386
Morris County Bank,	50,000	* 96,250	82,900	2,800	21,673
Somerset County Bank,	50,000	* 93,120	16,560	. . .	7,306
Farmers and Mechanics', Middletown,	50,000	* 71,760	47,460	1,680	8,622
26 Banks, total liabilities,	$3,754,900	$3,046,645	$2,423,677	$373,397	$643,361

* Redeemed at par in New York. † Redeemed in Philadelphia.

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Resources, *Jan.* 1851.	*Loans, Bonds, Stocks.*	*Real Estate.*	*Bank Balances and Notes.*	*Specie.*	*Total.*
Newark Banking and Insurance Co.,	$ 922,523	$ 18,385	$ 187,046	$ 41,378	$ 1,169,330
Mechanics' Bank, Newark, . . .	848,310	28,720	151,680	53,707	1,082,417
State Bank, Newark, ...	695,990	10,980	123,018	43,092	873,080
State Bank, Camden, ...	667,346	22,520	58,912	52,224	801,002
Trenton Banking Company, . .	512,513	19,490	122,430	51,040	705,473
State Bank, Elizabethtown, . . .	378,600	27,730	54,783	30,933	492,046
State Bank, New Brunswick, . .	368,568	13,840	134,130	31,950	548,488
Belvidere Bank, ...	327,368	4,130	70,785	26,307	428,590
Sussex Bank, ...	222,595	7,560	101,540	20,190	351,885
Farmers and Mechanics' Bank, Rahway,	286,310	15,778	53,480	20,934	376,502
Orange Bank, ...	175,978	4,635	25,840	10,175	216,628
Mechanics and Manufacturers' Bank,	212,075	10,530	67,170	38,552	328,327
Union Bank, Dover, ...	190,104	11,070	79,110	34,390	314,674
Farmers' Bank, Mount Holly, . .	174,150	20,425	41,528	19,540	255,643
Princeton Bank, ...	146,990	20,790	77,934	10,136	255,850
People's Bank, Paterson, ...	170,578	. . .	59,200	14,963	244,741
Salem Banking Company, . . .	125,085	2,525	32,500	29,808	189,918
Burlington County Bank, ...	134,940	12,925	25,900	14,250	188,015
Commercial Bank, Perth Amboy, .	132,520	9,330	41,270	12,340	195,460
Cumberland Bank, Bridgton, . . .	133,370	1,270	44,170	26,230	205,040
Farmers and Mechanics', N. Brunswick,	56,300	. . .	11,040	5,028	72,368
Farmers' Bank, Wantage, . . .	82,990	6,650	53,700	13,222	156,562
Mechanics' Bank, Burlington, . .	114,200	5,756	49,800	20,050	189,806
Morris County Bank, ...	162,843	. . .	81,130	9,650	253,623
Somerset County Bank, ...	101,050	. . .	48,890	14,046	166,986
Farmers and Mechanics', Middletown,	146,270	4,860	19,630	8,762	179,522
26 Banks, total resources, . .	$ 7,492,566	$ 279,900	$ 1,816,616	$ 652,898	$ 10,241,980

This synopsis differs from that of the Treasurer, who states the circulation to be only $ 2,584,350.

There are only three banks in New Jersey whose paper is not redeemed at par in either New York or Philadelphia. But it will be found, on examination of the condition of these, that they are amply provided with coin in their own vaults, and with specie funds on deposit at New York, where their paper is not more than one eighth of one per cent discount. — Ed. B. M.

Savings Banks. — Maryland.

Statement of the Savings Bank of Baltimore, January 1, 1851.

Amount of fund, 1st January, 1850, ...		$ 2,101,952.25
Received from depositors during the year 1850, ...		893,621.68
		$ 2,995,573.93
Received for interest on loans and dividends on stocks, . . .		132,406.93
		$ 3,127,980.86
From which deduct as follows: —		
Amount paid depositors during 1850, . . .	$ 719,072.43	
" " expenses for 1850, ...	9,020.21	
" " taxes for 1850, ...	7,480.28	
		735,572.92
Leaving amount of funds 31st December, 1850, ...		$ 2,392,407.94

The funds are employed in loans on stocks and real estate, and in the purchase of stocks, and, in the opinion of the committee, are safely and judiciously invested.

There were open on the 1st of January, 1850, 8,392 accounts; there were opened during the year 3,141 accounts, and closed during the same period 2,129; leaving open on the 31st of December, 1850, 9,404 accounts.

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NEW BOOKS.—I. *A Dictionary, Practical, Theoretical, and Historical, of Commerce and Commercial Navigation.* By J. RAMSAY MCCULLOCH, Esq. Edited by Professor Vethake, of the University of Pennsylvania. From the London edition of 1850. To which are added the American Tariffs of 1842 and 1846, reduced to *ad valorem* rates as far as practicable, — the Subtreasury, Warehousing, and the Canadian Transit Bills of 1846, — the new British Tariff, — and a copious Table of all Foreign Gold and Silver Coins, reduced to Federal Currency. *Two volumes octavo, making* 1,640 *pages. A. Hart: Philadelphia.* This work has long since become an essential part of every merchant's and banker's library. The new edition of 1851 will be found more valuable, from the recent additions by the author and by the American editor. The articles enlarged and brought down to a late date, and which are peculiary acceptable to the mercantile community and to corporate institutions, are upon the following subjects: — New Coinage of America and India, — New Tariffs of the United States and Great Britain, — A condensed Cambist, — Notices of Civita Vecchia, Guayaquil, Montevideo, &c., — Railways and Railway Legislation, &c.

Mr. McCulloch has, in his diversified labors, had essential aid from eminent statisticians in Great Britain and on the Continent, the Board of Trade, Foreign Consuls, and numerous other gentlemen who could furnish reliable information upon the topics relating to foreign countries and embodied in his work. The whole work is published for the low price of $7.

II. *The Westminster Review.* Messrs. Leonard Scott and Co., of New York, have promptly reissued the January No. of the Westminster Review. Contents: — I. Ticknor's History of Spanish Literature. II. Makamat. III. The Angel World, by the author of *Festus.* IV. The Progress of the Intellect, by Robert William Mackay. V. Supply of Pure Water, — Health, Draining, &c. VI. Educational Movements in England VII. Continental Prospects, Royalty and Republicanism, War in Hungary. VIII. The Battle of the Churches. IX. Foreign Literature, embracing notices of the recent writings of Dr. Wagner, M. Chasles, Oehlenschlager. X. Critical and Miscellaneous Notices of the Writings of Goethe, De Vericour, Dr. Kitto, Korner, Lynch, Mrs. Grey, Snow, Dr. Cross, Rev. H. Christmas, Dr. Austin, and others.

Published quarterly. $3 per ann., or $2 when taken with the other quarterlies.

This periodical has lately passed into new hands, and evinces evident tokens of more vigorous management. The Westminster has hitherto been a warm advocate of radical reform in church, state, and legislation. The "Battle of the Churches" in the January No. is a pungent essay, attributed to a well-known political writer. It is evidently the production of one who stands upon neutral ground, without bias towards either of the great belligerent parties.

III. *The London Quarterly Review, No. CLXXV. January,* 1851. Contents: — I. Gordon Cumming's Hunting in Africa. II. Socrates. III. The Ignatian Epistles. IV. Mysteries of Ceylon. V. Cheap Sugar and Slave Trade. VI. The British Museum. VII. General Radowitz on Germany. VIII. Life and Correspondence of Southey. IX. The British Ministry and the Pope. X. Sir Francis Bond Head on the Defenceless Condition of Great Britain. Leonard Scott and Co., Publishers, New York. The four foreign Quarterlies are promptly and creditably reissued by Messrs. Scott and Co. at a very low price. Terms, $8 for the four, or $3 each.

IV. *Shakspeare's Complete Dramatic Works.* Phillips and Sampson have nearly completed their exquisite edition of Shakspeare. Each No. contains one play, accompanied with a fine steel engraving. The type is large, and the paper of the best, and the general execution very creditable to the publishers. It has been generally supposed that Shakspeare died before the introduction of banking, theoretical or practical. In fact we have no authentic record of banks in his days, but he has himself said, most expressively, —

"*I know a Bank whereon the wild thyme blows.*"

That he dealt in gold and silver is well known, as he amassed wealth enough finally to purchase New Place, in his latter years; and it is further recorded that he was shareholder in a certain Joint-Stock Co., consisting of about twenty shares, of which the bard owned at least four shares. In fact, it may be readily believed that he was a speculator in such concerns; otherwise, how could he discourse so eloquently upon silver and other metals, —

"*To gild refined gold,*" &c.?

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V. *The Assurance Magazine.* London. W. S. D. Pateman, Wine Office Court, Fleet Street. This work is published quarterly, with copious information upon Life and Fire Assurance.

VI. *The Farmer's Guide to Scientific and Practical Agriculture; detailing the Labors of the Farmer, in all their Variety, and adapting them to the Seasons of the Year.* By HENRY STEPHENS, Author of the "Book of the Farm." With additions by Professor Norton, of Yale College. Nos. XIII. and XIV. Published by Leonard Scott and Co., New York. The first volume contains finished steel engravings of the following subjects: — 1. Brood Sow; 2. Short Horn Cows; 3. Leicestershire Ewe and Lamb; 4. Draught Mare; 5. Draught Stallion; 6. Geometrical Elevation and Ground Plan of the Steading. 7. Double Horse Cart in Yoke. With upwards of three hundred illustrations on wood. The additional materials by Mr. Norton, Professor of Scientific Agriculture in Yale College, will render this work very acceptable to American farmers, by adapting it to the soil, climate, growth, &c., of our own country. The whole series will consist of twenty-two Nos. of 64 pages each, with twenty engravings on steel, and six hundred wood-cuts. Price 25 cents each No., or $5 for the entire set.

VII. *Blackwood's Magazine for January.* Same publishers. This No. contains an elaborate and curious article upon the "Currency Extension Act of Nature," with interesting statistical details. This article occupies twenty pages, and is full of useful information. We would reprint the whole, if our space permitted; but the extreme cheapness and general circulation of Blackwood's Magazine would seem to render it unnecessary.

VIII. *De Bow's Review of the Southern and Western States: a Monthly Industrial Journal of Commerce, Agriculture, Manufactures, Internal Improvements, &c.* By J. D. DE BOW, Esq., Professor of Political Economy in the University of Louisiana. The December No. of this valuable digest of Southern interests contains a large number of useful articles for merchants, among which we enumerate: — 1. The Mississippi Valley; 2. The Pacific Railroad; 3. The Manufacture of Sugar; 4 Progress of American Cities; 5. Commerce, Manufactures, &c., of the South. Monthly. $5 per annum.

IX. *Journal of the Franklin Institute of the State of Pennsylvania, for the Promotion of the Mechanic Arts.* Devoted to Mechanical and Physical Science, Civil Engineering, Arts, and Manufactures; and a Record of American and Foreign Patented Inventions.

X. *The Mechanics' Magazine and Engineers' Journal.* Edited by JULIUS W. ADAMS, C. E. Nos. 1 and 2 of this series have appeared, and do credit to the editor. The design of the work is to furnish accurate information in reference to the inventions of the day; improvements of all kinds in mechanics, chemistry, agriculture, the arts and sciences, for the especial use of mechanics, engineers, and artisans. A similar undertaking was commenced some eighteen or twenty years since, in New York; but it stopped for want of support. It is to be hoped that the present series will now, when there are vastly more readers and more individuals in pursuit of science, find adequate encouragement. The Mechanics' Magazine is published somewhat in a style similar to its namesake in London, but the execution of the New York work is much superior to that of the London copy. The engravings and illustrations of the American work are clear and intelligible; and the publishers promise that no expense will be spared to render it in value and in finish the first scientific journal of the day.

In the numbers before us, there are several valuable articles upon the steam-engine, strength of timber, prevention of boiler explosions, iron bridges, steam-ships, propellers, &c., all of which are worthy the attention of machinists and manufacturers. To the practical engineer or mechanic, the work is worth ten times its subscription price. *Monthly, 64 pp. octavo. Three dollars per annum.* D. Appleton and Co., publishers, New York.

XI. *The World's Progress: a Dictionary of Dates. With Tabular Views of General History, and a Historical Chart.* Edited by G. P. PUTNAM. Small octavo, pp. 716. Published by the Editor, New York. This work is mainly upon the basis of Haydn's Dictionary of Dates, an English work, which has gone through several editions in a few years. The American editor has added, — 1. A Literary Chronology,

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showing the literary character of every age and country. 2. Heathen Deities, and other fabulous persons, with the heroes and heroines of antiquity. 3. A biographical index of more than two thousand remarkable persons, from the earliest period to the present time; with an addenda, showing the progress of events to December, 1850. This is one of the most valuable compilations that has appeared for many years. It is in fact a cyclopædia of important statistics, historical events, &c., to which every reader has occasion to refer frequently, and of which no American work furnishes a correct index.

XII. *The Half-Century: or, A History of Changes that have taken place, and Events that have transpired, chiefly in the United States, between the Years* 1800 *and* 1851. By Emerson Davis, D. D. With an Introduction by Mark Hopkins, D. D. 12mo. pp. 442. This volume professes to furnish a succinct view of the important changes of the last half-century. The work is divided into eleven heads, viz.: — I. Political Changes and Events. II. Educational Changes. III. Charitable Educational Institutions. IV. Moral Reformation. V. Improvements in the Means of Intercommunication. VI. Progress of Science. VII. Inventions, Arts, and Manufactures. VIII. Christian Benevolence. IX. Religious Controversies. X. New Religious Sects. XI. Miscellanies. It cannot be expected that a volume of such dimensions could enter largely into an examination of the many changes of the last fifty years; but as far as it goes, the work will be acceptable to a large class of readers, containing, as it does, numerous facts of an historical and statistical nature that would otherwise be lost sight of by most readers. Tappan and Whittemore, Publishers, Boston.

BANK ITEMS.

Maine. — The Union Bank, at Brunswick, has commenced business, with a capital of $ 50,000. Joseph McKean, Esq., President; A. C. Robins, Esq., Cashier.

Portland. — The Atlantic Bank, Portland, commenced business on the 3d day of February, with an authorized capital of $ 100,000. President, Joshua B. Osgood, Esq.; William H. Stephenson, Esq., Cashier. The bank was chartered in August, 1850. Present capital paid in, $ 51,000, and the remainder to be paid within the next six months.

New Hampshire. — The Warner Bank, at Warner, N. H., commenced business in January last, with a capital of $ 50,000 paid in. President, Joshua George; Cashier, Francis Wilkins. This bank was chartered in July, 1850, for twenty years from March 1st, 1851.

Massachusetts. — There are now pending before the Legislature applications for charters for several new banks; and for renewals of charters. The results of these will be published as soon as ascertained.

New York. — It is proposed to establish the Bank of the Metropolis, in the city of New York, with a capital of two millions of dollars. The object of this bank is to establish a system similar to that of the Suffolk Bank system in Boston, and require *par redemption* on the part of the country banks of New York, New Jersey, &c.

American Exchange Bank. — We regret to learn that John J. Fisk, Esq., for many years Cashier of the American Exchange Bank, has found it necessary, through continued ill health, to resign his connection with that institution. The directors of the bank have embraced this occasion to express, in a series of resolutions, their sympathy with Mr. Fisk in his illness, and their cordial appreciation of his long and faithful services. Charles A. Meigs, Esq., late assistant cashier, has been appointed Cashier in place of Mr. Fisk, and Edward Butler, Esq., has been selected to fill the vacancy occasioned by the promotion of Mr. Meigs.

New Bank Building. — We understand that the parties interested in organizing the new bank in Broadway have purchased the property on the corner of Broadway and Wall Street, having a front of forty-eight feet on the former street, on which they intend to erect a suitable building for the accommodation of the bank, containing

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also offices to rent. We have not yet seen the plan of the proposed structure, but have no doubt it will be worthy of the location, and an ornament to this portion of the busy street.

The Bank of the Metropolis, Capital $2,000,000. — The books of subscription to the capital stock of this bank were opened by a committee of the directors at the office of Ward & Co., No. 54 Wall Street, in the city of New York, on Tuesday, the 18th day of February. An instalment of five per cent. will be required to be paid at the time of subscription. The following named persons will constitute the first Board of Directors: — James McCall, Henry Suydam, Jr., Wilson G. Hunt, Wm W. Stone, Benjamin B. Sherman, Henry C. Power, George Roberts, Horace B. Claflin, Daniel S. Miller, Edward G. Faile, Lewis O. Wilson, Henry S. Pierson, John Stewart, Jr., Jonathan H. Ransom, Charles H. Booth, A. Robertson Walsh, Thomas Smull.

Chatham Bank. — This institution, organized under the general banking law of New York, commenced business on Thursday, the 20th of February, at the corner of Chatham Square and Duane Street. The directors have purchased the lot in Chatham Street, on the corner of Duane Street, for about $28,000, upon which they intend to erect a suitable building. The stock has been subscribed for by the friends of the directors chiefly, and the books are now open for further subscription at the bank for a few days. The following are the directors: — Charles R. Swords, Abram Duryee, Daniel K. Hall, Cornelius Poillon, Wm. A. Brown, John B. Dunham, Wm. L. Conklin, Charles J. Shepard, Benj. W. Merriam, John Coger, Jr., Henry W. Sill, Egbert Scudder, John Leveridge, Geo. B. Whitfield, Elias G. Drake.

A. B. Hays, Cashier. ELIAS G. DRAKE, President.

Troy. — Union Bank of Troy, February 6, 1851. — Notice is hereby given to the stockholders of the Union Bank of Troy, that a further call of forty per cent. on its capital stock has been made by the directors; twenty per cent. thereof payable on the 5th March next, and twenty per cent. payable on the 10th day of April next.

February 11, 1851. JOEL MALLARY, President.

NEW JERSEY. — The following appointments have been recently made: —

Mechanics' Bank, Burlington,	James Sterling, Cashier,	*vice*	George Gaskill.
Belvidere Bank,	J. J. Blair, President,	"	J. Kinney.
People's Bank, Paterson,	D. Burnett, "	"	E. B. D. Ogden.

FREE BANKING LAW IN NEW JERSEY. — The first bank under the general law has been organized, and the required certificate filed with the Secretary of State. It is to be called the Ocean Bank, and to be located at Bergen Iron Works, in Ocean County. The capital is $50,000, and is secured by United States six per cent. stocks.

PENNSYLVANIA. — The report of Messrs. Wright and Buckdale, the commissioners appointed by the last Legislature of Pennsylvania, to investigate the affairs of the Bank of Susquehannah County, has been submitted to the Legislature, and shows most conclusively, says the *Philadelphia News*, that it never had, from its earliest organization in 1837, any such amount of capital paid in as would warrant the commencement of business. Its capital was altogether fictitious. The suspension in 1843 was a necessary consequence; and after its resuscitation in 1845, it seems to have had but about $4,000 in cash as the basis of its operations, yet upon that it managed to force its notes into circulation to the extent of $205,000.

No bail was ever given by T. P. St. John or C. P. De Lamater, while they acted as cashiers; and the extensive loans negotiated in 1846, 1847, and 1849, known as the Mann loan (for $184,000 in 1846, and $100,000 in 1847), the St. John loan (for $20,000), and the Thomson loan (for $90,000), were done entirely without security, and, as we are bound to believe, in a great measure without the cognizance of the directors. The whole business, from first to last, was pretty much of the same character, and when the concern burst up, its assets were as follows: — Specie, $42.56; bank-notes (good), $5.00; good debts, $24,000; doubtful debts, $14,000; claims taken by St. John, $1,166 72; personal property, $100; — a total of $39,214.28.

[Instances of this kind serve strongly to show that the community is entitled to some available collateral security for bank circulation. — ED. B. M.]

NORTH CAROLINA. — In addition to the recharter of the Merchants' Bank of Newbern, the late Legislature passed an act incorporating, — 1st. The Bank of Washington, Beaufort County, with a capital of $400,000; 2d. The Bank of Wadesboro, capital $200,000. Also, "An Act in relation to exchanges of notes between the several banks of the State."

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Washington. — The books of subscription to the capital stock of the Bank of Washington (North Carolina) were opened on the first day of February, and will remain open until the first day of April next. Proposed capital, $ 400,000 in shares of $ 100 each. The bank will be organized as soon as the sum of $ 50,000 is subscribed and $ 25,000 thereof paid in.

VIRGINIA. — A bill is now before the Legislature of Virginia authorizing the establishment of a Branch Bank at Lexington.

FLORIDA. — The act incorporating the Bank of Tallahassee passed the Legislature at its late session, and the bank will be organized during the present year.

ALABAMA. — The Southern Bank of Alabama issued public notice on the 17th of January last, that one thousand additional shares of its stock would be open for subscription on and after the 26th of February. Existing stockholders will have the privilege of subscribing to the extent of one fourth of their present stock.

LOUISIANA. — Mr. Victor St. Victor, paying teller of the Bank of Louisiana, at New Orleans, absconded early in February with about $ 70,000 of the bank's funds. He was found, two days afterwards, in a state of derangement, with about $ 50,000 in his room. The balance of the funds is yet missing.

KENTUCKY. — The Legislature of Kentucky has recently passed an act authorizing the Farmers' Bank of Kentucky to establish a branch at Louisville, with a capital of $ 500,000. The present bank capital of that city is $ 2,960,000.

OHIO. — J. R. Crawford, Esq., was, on the 20th of January, elected Cashier of the Athens Branch of the State Bank of Ohio, in place of Charles H. Cornwell, Esq., resigned.

MISSOURI. — We understand that Nathaniel Childs, Jr., the person tried some time since for the embezzlement of $ 120,000 of the funds of the Bank of Missouri, has brought suit against the directors of the bank for defamation of character, laying the damages at $ 50,000. A demurrer has been entered by the attorney of the bank, on the ground that the individuals named acted in corporate capacity. This demurrer was sustained by Judge Treat, and the case will be carried to the Supreme Court. — *St. Louis Times, 20th January.*

EDITORIAL CORRESPONDENCE.

. . . . . Bank, Philadelphia, January, 1851.

TO THE EDITOR OF THE BANKERS' MAGAZINE.

YOU ought to furnish an article in relation to the export of silver. Unless Congress alloy it more, we shall have little or none left in the country. It now commands a premium of three per cent. What will the New England banks do under such circumstances, if their small notes are rapidly sent in upon them? All the banks now in the United States, I presume, are paying out gold at their counters. We are then to have a gold currency, and that ought to be made the legal standard, — silver for change, as in England, and a legal tender only for small sums. It can only be kept in the country by adulterating it. The proportion of gold produced from the various mines of the world is far greater than of silver; hence the latter metal will become an article of merchandise. It is absurd to retain two metals as a legal standard; they cannot go side by side as a currency: the laws of nature forbid it.

The gold eagle was worth, once, $ 10.60 in silver. The eagle is worth now but $ 9.70 in silver. We should then have a law passed at once adulterating silver 5 to 7½ per cent., and make it a legal tender only for small sums. Let it be sold by the quantity, by the ounce, as in England. . . . . Cashier.

NOTE. — The New England banks do not fear the return of their small bills in undue proportion to their larger denominations. The holders of small bills could derive no advantage by exchanging them for gold. They are preferred to coin for ordinary business purposes. The alloy proposed for small silver coins is recommended by numerous papers, and is probably the best provision by which silver change can be retained to meet the wants of the people. Five, ten, and twenty-five cent pieces in silver, with eighty per cent. of pure metal, would be convenient for all parties. — ED. B. M.

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Stocks and Exchanges.

STATE SECURITIES, Feb. 20, 1850.

Massachusetts,	5	per cent.,	1859	100	to 101
"	5	" sterling,		105	"
New York,	6	"	1860	111	" 113
"	6	"	1865	114¾	" 115½
"	5	"	1858	105	" 105¼
"	5	"	1866	105½	" 106
Pennsylvania,	6	"	1879	110	" 115
"	6	" past due,		99½	" 100½
"	5	" . . .		94½	" 95
Maryland,	6	" . . .		102	" 103
"	5	" . . .		88	" 90
"	5	" sterling,		100	" 100¾
Virginia,	6	" . . .		100	" 101
South Carolina,	6	" . . .		100	" 104
Ohio,	5	"	1856	105½	" 106
"	6	"	1875	114	" 115
"	7	"	1851	102½	" 102½
Kentucky,	6	"	1871	103	" 104
"	5	" . . .		90½	" 91
Tennessee,	5	" . . .		87	" 89
"	6	" . . .		101	" 103
Indiana Bonds,		" . . .		60	" 68
Indiana State,	5	" . . .		83	" 84
Alabama,	5	" . . .		90	" 94
"	6	" . . .		92	"
Arkansas,	6	" . . .		50	" 55
Illinois Int. Imp. Stock,		. . .		66½	" 67
" Interest Stock,		. . .		41½	" 42

BALTIMORE, Feb. 20.

Baltimore, 6 per cent.,	1890	105	to 105¼
B. and Ohio R. R. Stock,		74¾	" 75¾
" " Bonds,	1854		"
" " Bonds,	1867	92	" 93
Bank of Baltimore, . .	100	94¾	" 95
Merchants' Bank, . . .	100	103	" 104
Union Bank, ...	75	71	" 71¾
Mechanics' Bank, . . .	15	17	" 17⅛
Commercial and Farmers',	33½	37	"
Western Bank, ...	20	20¾	" 21⅛
Farmers and Planters', .	25	26½	" 27¼
Chesapeake Bank, . . .	25	26	" 28
Marine Bank, ...	30	28½	" 29
Farmers and Merchants',	40	40⅛	" 41½
Franklin Bank, ...	12½	11⅛	" 11⅜
Farmers' Bank of Maryland,	50	50	" 51
Patapsco Bank, ...	25	22¼	" 22⅛

PHILADELPHIA, Feb. 20.

U. S., 6 per cent.,		1856		107	to 107⅛
" "		1862		111¼	" 111¾
" "		1867		115	" 115¼
" "		1868		115⅛	" 115⅜
" Coupons,		1868		116⅛	" 117⅛
" 5 per cent.,		1853		101⅛	" 102
" Treasury Notes, 6 p. cent.,				113	" 114
Philadelphia, 6 per cent.,				104	" 104½
Nashville, 6 per cent.,			100	92	" 93
Alleghany County R., 6,			100	95¼	" 95½
Cincinnati, 6 p. ct., water-works,				97	" 97⅛
Pittsburg, 6 per cent., coupons,				97	" 98
St. Louis, " "				94⅛	" 95
Bank of Pennsylvania, .			100	118¾	" 119
" North America,			100	139½	" 140
Philadelphia Bank, . . .			100	139	" 140
Farmers and Mechanics',			50	70¾	" 71
Commercial Bank, . . .			50	61½	" 62
B. Northern Liberties, .			40	57	" 60
Mechanics' Bank, . . .			20	30½	" 30½
Southwark Bank, . . .			50	73½	" 75
Kensington Bank, . . .			50	65	" 66
B. Penn Township, .			22½	30½	" 31
Western Bank, ...			40	65½	" 66½
Manuf. and Mechanics', .			25	28	" 28½
Bank of Commerce, . .			50	60	" 65
Girard Bank, ...			12½	13⅜	" 13¾
Bank of Pittsburg, . . .			50	53	" 54
Exchange Bank, . . .			50	50	" 51
Merchants and Manuf., .			50	52¾	" 53½
Texas Treasury Notes, .			50	40	" 42
Bank of Louisville, . .			100	104½	" 105
Northern Bank, Ky., . .			100	110	" 111
Bank of Kentucky, . .			100	106½	" 106½
Union Bank, Tennessee,			100	70⅛	" 71
Planters' Bank of Tenn.,				69⅛	" 70½
N. O. Gas Light Bank. Co.,				112	" 114
Morris Canal, ...			25	20⅛	" 21
Reading Railroad, . . .			50	31½	" 31⅝
" Bonds, 6 p. cent.,		1870,		80½	" 80¾
" Mortgages,		1860,		83½	" 84
Com. and Vicks. R. R. B.,			100	18½	" 19
Phil. and Trenton Railroad,			100	129	" 130
Phil., W., Balto. Railroad,			50	30½	" 31½
Harrisburg Railroad, . .			50	46¾	" 47
Schuylkill Navigation, .			50	16½	" 17
Camden and Amboy R. R.			100	130	" 131
Schuylkill Navig., 6 p. c.,		1843		51	" 51⅛

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NEW YORK, Feb. 20.

N. Y. City, 7 per cent.,	1857	112 to 114
" 5 "	1856	101 " 102
" 5 " W. Ln.,	1858	101⅜ " 102
Brooklyn City, 6 per cent.,	. .	105¼ " 106¼
Albany " 6 "	. .	101 " 101¼
Columbus " 7 "	. .	97 " 100
Erie R. R. Bonds, 1st Mortgage,		109 " 110
Hudson River R. R. Bonds,	.	103¼ " 103⅜
Hartford and New Haven R. R.,		130 "
Erie R. R. Bonds, 2d Mortgage,	7	105¼ " 105⅜
Syracuse and Utica,	. . . 8	123 " 126
" Rochester,	. 8	113½ " 113⅔
Long Island Railroad,	. . .	25¼ " 25½
Providence and Stonington,	.	41 " 42
N. Y. and New Haven R. R.,	.	115¼ " 115⅜
Paterson Railroad,	. . . .	104 " 105
Tonawanda Railroad,	. 20	129 " 135
Harlem Railroad,	. . . .	69 " 69¼
Mohawk Railroad,	. . . .	94 " 95
Utica and Schenectady,	. . .	125 " 126
Hudson River Railroad,	. . 6	81½ " 82
Bank of New York,	. . . 10	143½ " 146
Manhattan Bank,	 7	122½ " 123
Merchants' Bank,	 10	123 " 128
Mechanics' Bank,	 10	125 " 126
Union Bank,	 10	138 " 140
Bank of America,	 8	112½ "
City Bank,	 10	125 " 128
Phenix Bank,	 7	109 " 109⅛
Tradesmen's Bank,	. . 15	140¼ " 145
Fulton Bank,	 10	134 " 136
Del. and Hudson C. Co.,	. 24	134 " 136
Butchers and Drovers',	. 10	130 " 135
National Bank,	 8	118 " 119
Merchants' Exchange,	. . 8	114 " 116
Leather Manufacturers',	. . 8	116½ " 120
Bank of the State of N. Y.,	7	107½ " 108½
Bank of Commerce,	. . . 8	107⅛ " 108
Mech. Banking Association,	7	103 " 103
American Exchange Bank,	10	125 " 126
N. Y., L. I., and T. Co.,	. . 8	126½ " 130
Farmers' L. and T. Co.,	. . .	67 " 67
Ohio Life and T. Co.,	. . .	107 " 107½
Canton Co.,	. . . . .	62 "
Bank of Louisiana,	. . . 10	121 " 130
Louisiana State Bank,	. . 10	108 " 108
N. O. Canal and B. Co.,	. . 6	97 " 97
Mech. and Traders' N. O.,	. 8	99 " 101
Cleveland and Cin. R. R.,	7 p. c.,	95 "
Columbus and Xenia, "	7 "	95 " 96
Ohio and Pa., "	7 "	93¼ " 94
Alleghany City, 6 p. ct.,	25 yrs.,	92 " 93
Pittsburg, 6 "	30 yrs.,	97 "
Alleghany Co., 6 "	1860	96 "

BOSTON, Feb. 21.

Boston, 6 per cent.,	1853, . .	101 to 101⅛
" 5 "	1860, . .	100 " 100¼
East Boston Co.,	. . . . .	27½ "
Atlantic Bank,	. . . . .	110 " 112
Atlas Bank,	. . . . .	102½ " 103
Bank of Commerce,	. . . .	105½ " 106
Bank of North America,	. .	102½ "
Boston Bank (par 50),	. . .	57½ " 58
Boylston Bank,	. . . . .	109 " 110
City Bank,	. . . . .	107 " 107½
Cochituate Bank,	. . . . .	102⅝ " 103
Columbian Bank,	. . . . .	103½ " 104
Eagle Bank,	. . . . .	105 " 106
Exchange Bank,	. . . . .	108 " 109
Freeman's Bank,	. . . . .	109 " 110
Globe Bank,	. . . . .	113 " 114
Granite Bank,	. . . . .	105 " 106
Grocers' Bank,	. . . . .	105½ "
Hamilton Bank,	. . . . .	109 " 109⅛
Market Bank (par 70),	. . .	86 " 86½
Massachusetts Bank (par 250),		255 "
Mechanics' Bank,	. . . . .	105 " 106
Merchants' Bank,	. . . . .	112 "
New England Bank,	. . . .	111½ " 112
North Bank,	. . . . .	103 " 104
Shawmut Bank,	. . . . .	107 " 108
Shoe and Leather Dealers' Bank,		112 " 114
State Bank (par 60),	. . . .	64⅛ " 65
Suffolk Bank,	. . . . .	134 " 136
Traders' Bank,	. . . . .	105 " 105½
Tremont Bank,	. . . . .	107½ " 108
Union Bank,	. . . . .	108 " 109
Washington Bank,	. . . . .	102 " 103
Boston and Lowell R. R. (par 500),		570 " 575
" Maine Railroad,	.	106 "
" Providence Railroad,		85 "
" Worcester "		106 "
Concord Railroad (par 50),	. .	55½ "
Connecticut River Railroad,	.	75 " 78
Eastern Railroad,	. . . . .	103 "
Fall River Railroad,	. . . .	93 " 95
Fitchburg Railroad,	. . . .	111¾ "
Hartford and New Haven R. R.,		130 " 131
Nashua and Lowell Railroad,	.	108½ " 109
Norwich and Worcester preferred,		66 "
Northern Railroad,	. . . .	72 "
Old Colony Railroad,	. . . .	68 "
Stonington "	. . . .	41 "
Vermont and Mass. Railroad,	.	30 "
Vermont Central Railroad,	. .	34¾ " 35
Western Railroad,	. . . . .	107 "
Albany W. Railroad, 6 per cent.,		107 " 108
Michigan Central Railroad,	.	94 " 95
New Bedford and Taunton R. R.,		112 " 115

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Notes on the Money Market.

BOSTON, 24TH FEBRUARY, 1851.

Exchange on London, sixty days, 1.09½ *to* 1.10.

ABOUT two millions more in gold dust have been added to the former accumulations, since the publication of our January No. Each arrival from California adds to the impetus already given to stocks and real property, and renders more impulsive the spirit of speculation.

The rates of discount on first-class paper range from five to six per cent. in New York, and from six to seven per cent. in Boston. There are abundant facilities for the negotiation of good business paper in all the large cities, and every indication of continued ease in the money market. The large accessions of coin during the last few months have brought about a speculative mania in bank stocks and in the establishment of new banks. This spirit is observable in New York, Massachusetts, Kentucky, North Carolina, Florida, Maine, and other States, — while in Pennsylvania, Indiana, and Missouri, some efforts are making to establish the free banking system. As long as this increase keeps pace with the accumulations of coin, no danger need be anticipated, — but it will be found that a majority of the bankers of the present day were not bankers in 1833 – 1836, or have forgotten the severe lessons of that period, — when cotton was twenty cents per pound, and the bank capital of the country was increased one hundred per cent.

The proposition to establish the Bank of the Metropolis in the city of New York, with the avowed principle of maintaining the par redemption of country notes, is received with much favor by many, and meets some opposition from the country banks and their friends. The fear on the part of the latter is, that the result will be to reduce the bulk of their circulation.

We do not think that this would be the result. New York city bears the same relation to the State, that Boston does to New England, — the commercial centre, where balances are created continually in favor of the country merchants and bankers. The six New England States, with a population of 2,700,000 maintain a bank circulation of thirty-two millions of dollars, nearly all of which circulates at par throughout all those States, and is receivable on deposit at par by the banks of Boston. This *par redemption* is maintained without inconvenience to the community or to the banks. The circulation is not necessarily diminished by being at par at one point; while it is received with more confidence by the public, and passes more freely than it otherwise would. The interior banks are daily accumulating balances at Boston, and the necessity of keeping on hand a large sum in coin is obviated. The tendency of all the business of the six States is to concentrate balances at the commercial centre. These balances serve to render the circulation entirely convertible, and to promote the system of exchanges. All the coin held by the New England banks, city and country, amounts to less than five millions, whereas New York City alone has nearly double this sum.

We recapitulate the items of circulation and coin, &c., by way of comparison.

	No. of Banks.	*Population.*	*Capital.*	*Circulation.*	*Coin.*
Maine,	36	583,000	$ 3,548,000	$ 2,600,000	$ 475,000
New Hampshire,	22	318,000	2,205,000	1,750,000	150,000
Vermont,	27	314,000	2,225,000	2,850,000	127,000
Massachusetts,	130	990,000	38,260,000	17,000,000	3,000,000
Rhode Island,	63	150,000	11,180,000	2,550,000	262,000
Connecticut,	42	370,000	10,073,000	5,200,000	638,000
Total, six States,	320	2,725,000	$ 67,491,000	$ 31,950,000	$ 4,652,000
New York,	190	3,100,000	48,000,000	26,000,000	12,000,000

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We look upon the State of New York as being much more favorable than New England for a bank circulation. The population is larger, and the places of issue are more remote, more isolated, and better adapted for keeping within themselves a fair amount of circulation. It is found already, that no less than twenty-seven of the New York country banks, and fifteen New Jersey banks, redeem their paper at par in the city of New York. This, too, is voluntary on their part, resulting from the conviction that a city redemption at par is more favorable to a *general* circulation than an exclusive redemption at home.

The *country* redemption by the Suffolk Bank was, in 1850, above TWO HUNDRED AND TWENTY MILLIONS OF DOLLARS, AT PAR.

The great profit to the country banks, in the present system, is the saving of capital. There is little or no *dead weight* at home. The country banks of Massachusetts have an average circulation of $ 10,000,000, and the coin in their vaults is about $ 740,000. A recurrence to the January No. of this work will show that in some cases a large circulation is kept up with a specie basis of *four per cent.* But their main reliance is not upon specie as a means of redemption, but upon three millions of balances due them in Boston, and a larger amount in collection paper also deposited in Boston. The Boston banks, on the other hand, do not allow these deposits to remain idle. Loans are made by them predicated upon these identical balances, and upon the belief that these balances will not decline, as is very truly observed by the New York author of the "Treatise on Banking," published in this work. "The business of the State is a guarantee to banks for the permanence of a certain amount of currency. But for this guarantee no banker would dare to issue bank-notes beyond the amount of his specie on hand. The bulk of the currency must be as permanent as the business operations of men."

We learn that the Commission of the French Assembly, appointed on the 14th of December, and presided over by M. Fould, Minister of Finance, in order to examine the currency question, reported about the 20th January, viz.: —

"That the depreciation of gold has been chiefly produced by accidental causes, of which the effect has begun to subside.

"That the influence which may have been exercised by permanent causes cannot yet be sufficiently determined, exact information being necessary regarding the production of the precious metals, especially in California and Russia.

"That in consequence of these facts, the Commission are of opinion it is not advisable to make any modification in the present monetary system."

The following new banks are either in operation or about to be organized for business in New York: —

Location.	*Name.*	*President.*	*Cashier.*	*Capital.*
Merchants' Exchange,	Bank of the Republic,	G. B. Lamar,	Henry F. Vail,	$ 1,000,000
Wall Street,	Bank of N. America,	John J. Fisk,	J. Seymour,	1,000,000
" "	Bank of the Metropolis,	Jas. McCall,	. . . .	2,000,000
Hanover Square,	Hanover Bank,	Isaac Otis,	C. M. Livingston,	500,000
Canal and Hudson St.,	People's Bank,	J. P. Yelverton,	G. De Angelis,	400,000
Chatham Square,	Chatham Bank,	E. G. Drake,	A. B. Hays,	300,000
Greenwich and Warren St.,	Irving Bank,	E. H. Laing,	John Thompson,	250,000

AMERICAN STOCKS IN LONDON. — Barings' Circular of January 31, has the following remarks: —

"There have been a few buyers of United States 6's, of both inscriptions and bonds, but without any general demand, and free sellers at our quotations for these two securities. In the State stocks the business has been trifling. Canada 6's in demand. United States 6's, 1862, 102 to 103; do. 1867-68, 104 to 105; do. bonds, 108 to 109. Illinois Internal Improvement 55; do. deferred, 34. Indiana State 5's, 71 to 73; do. deferred 2½, 36 to 38, Massachusetts sterling 5's, 105½ to 106½. Maryland sterling 5's, 88 to 89. New York 5's, 93 to 95. Ohio 6's, 103½ to 105½. Pennsylvania 5's, 83 to 85. Virginia 6's, 94 to 96. Boston City 5's, 92½ to 93½. Canada 6's, 105, ex dividend.

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BANKS OF THE UNITED STATES.

LOCATION, PRESIDENT, CASHIER, AND CAPITAL OF EACH.

MARCH, 1851.

The publisher requests that any errors in this list, or changes, may be reported to him.

MAINE.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Augusta,	Augusta Bank,	Thomas W. Smith,	J. J. Eveleth,	88,000
"	Freeman's Bank,	Benjamin Davis,	Daniel Pike,	50,000
"	Granite Bank,	William A. Brooks,	Silas Leonard,	75,000
Bangor,	Eastern Bank,	Amos M. Roberts,	William H. Mills,	100,000
"	Exchange Bank,	Joseph B. Foster,	Edwin Clark,	100 000
"	Kenduskeag Bank,	George W. Pickering,	Theodore S. Dodd,	100,000
"	Mercantile Bank,	Samuel Farrar,	John S. Ricker,	50,000
"	Merchant's Bank,	W. A. Blake,	M. T. Stickney,	50 000
"	Veazie Bank,	Samuel Veazie,	William S. Dennett,	400,000
Bath,	Commercial Bank,	William D. Sewall,	Thomas Agry,	50,000
"	Lincoln Bank,	George F. Patten,	John Shaw,	125,000
"	Sagadahock Bank,	Thomas D. Robinson,	Daniel F. Baker,	100,000
Belfast,	Belfast Bank,	Thomas Marshall,	Nathaniel H. Bradbury,	50,000
Biddeford,	Biddeford Bank,	William P. Haines,	Seth S. Fairfield,	150,000
Brunswick,	Brunswick Bank,	Richard T. Dunlap,	John Rogers,	60,000
"	Union Bank,	Joseph McKean,	Augustus C. Robbins,	50,000
Calais,	Calais Bank,	George Downes,	Joseph A. Lee,	50,000
Eastport,	Frontier Bank,	William M. Brooks,	Charles H. Hayden,	75,000
Gardiner,	Gardiner Bank,	Samuel C. Grant,	Joseph Adams,	100,000
Hallowell,	Northern Bank,	Franklin Glazier,	I. Nutter,	75,000
Portland,	Atlantic Bank,	Joshua B. Osgood,	William H. Stephenson,	100,000
"	Bank of Cumberland,	William Moulton,	Samuel Small,	100,000
"	Canal Bank,	William W. Thomas,	Josiah B. Scott,	400,000
"	Casco Bank,	Eliphalet Greely,	John Chute,	300,000
"	Manufactur's & Tradr's.	Joshua Richardson,	Edward Gould,	75,000
"	Merchant's Bank,	William W. Woodbury,	Reuben Mitchell,	150,000
Saco,	Manufacturer's Bank,	Tristam Jordan, Jr.,	Thomas W. Shannon,	100,000
"	York Bank,	Daniel Cleaves,	John C. Bradbury,	75,000
Skowhegan,	Skowhegan Bank,	William Allen,	S. Philbrick,	75,000
S. Berwick,	South Berwick Bank,	William A. Hayes,	Charles E. Norton,	100,000
Thomaston,	Lime Rock Bank,	Knott Crockett,	William L. Pitts,	100,000
"	Thomaston Bank,	Richard Robinson,	John D. Bernard,	50,000
Topsham,	Androscoggin Bank,	Charles Thompson,	John Coburn,	50,000
Waldoboro,	Medomak Bank,	James Hovey,	George Allen,	50,000
Waterville,	Ticonic Bank,	Timothy Boutelle,	S. Percival,	75,000
"	Waterville Bank,	Samuel P. Shaw,	Augustus Perkins,	50,000
Wiscasset,	Mariner's Bank,	Henry Clark,	S. P. Baker,	50,000
	Total 37 Banks.	*Circulation* $2,600,000.	*Specie* $171,000. *Capital*	$3,448,000

NEW HAMPSHIRE.

Claremont,	Claremont Bank,	Ambrose Cossit,	Uriel Dean,	60,000
Charlestown,	Connecticut River Bk.,	Henry Hubbard,	George Olcott,	90,000
Concord,	Mechanic's Bank,	Joseph M Harper,	George Minot,	100,000
"	Merrimac County Bk.,	Francis N. Fisk,	Ebenezer S. Towle,	80,000
Dover,	Strafford Bank,	William Woodman,	Asa A. Tufts,	100,000
"	Dover Bank,	Joseph H. Smith,	Andrew Peirce,	75,000
East Jeffrey,	Monadnoc Bank,	John Conant,	Peter Upton,	50,000
Exeter,	Granite Bank,	Moses Sanborn,	Samuel H. Stevens,	100,000
Keene,	Ashuelot Bank,	Samuel Dinsmoor,	Thomas H. Leverett,	100,000
"	Cheshire Bank,	John Elliot,	Zebina Newell,	100,000
Lancaster,	Lancaster Bank,	Royal Joslyn,	George A. Cossitt,	50,000
Lebanon,	Lebanon Bank,	Robert Kimball,	James H. Kendrick,	100,000
Manchester,	Amoskeag Bank,	Richard H. Ayer,	Moody Currier,	100,000
"	Manchester Bank,	James U. Parker,	Nathan Parker,	110,000
Meredith,	Belknap County Bank,	Warren Lovell,	Daniel M. Gale,	50,000
Nashua,	Nashua Bank,	Isaac Spalding,	John M. Hunt,	100,000
New Ipswich,	New Ipswich Bank,	Joseph M. Melville,	George Barrett,	100,000
Portsmouth,	Mechanic's & Trader's,	Richard Jenness,	James F. Shores,	120,000
"	Piscataqua Exch'nge B.,	Wm. H. Y. Hackett,	Samuel Lord,	200,000
"	Rockingham Bank,	Jonathan M Tredick,	John J. Pickering,	150,000
Rochester,	Rochester Bank,	Simon Chase,	John McDuffee, Jr.,	100,000
Somersworth,	Great Falls Bank,	John A. Burleigh,	David H. Buffum,	120,000
Warner,	Warner Bank,	Joshua George,	Francis Wilkins,	50,000
Winchester,	Winchester Bank,	H. Kingman,	William B. Hale,	100,000
	Total 24 Banks.	*Circulation* $1,700,000.	*Specie* $150,000. *Capital*	$2,255,000

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MASSACHUSETTS.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Abington,.....	Abington Bank,.....	Asaph Dunbar,.....	J. N. Farrar,.....	100,000
Blackstone,...	Worcester County Bk.,	Henry S Mansfield,....	Alexander Ballou,.....	100,000
Andover,.....	Andover Bank,.....	Samuel Farrar,.....	Francis Cogswell,.....	250,000
Attleborough,.	Attleborough Bank,....	Samuel Carpenter,.....	H. N. Richardson,.....	100,000
Beverly, ...	Beverly Bank,.....	Albert Thorndike,.....	Robert G. Bennett,....	125,000
Brighton, ...	Bank of Brighton,.....	Edward Sparhawk,....	Life Baldwin,.....	250,000
Cambridge,....	Charles River Bank,....	Charles C. Little,.....	John B. Dana,.....	100,000
Cambridg'p'rt,.	Cambridge Bank,.....	Thomas Whittemore,..	Martin Lane,.....	100,000
Chicopee,.....	Cabot Bank,.....	John Wells,.....	J. L. Warriner,.....	150,000
Canton,.....	Neponset Bank,.....	James Dunbar,.....	F. W. Dexne,.....	100,000
Charlestown,..	Bunker Hill Bank,.....	David Devens,.....	Thomas Marshall,.....	200,000
Concord,.....	Concord Bank,.....	Daniel Shattuck,.....	John M. Cheney,.....	100,000
Chelsea,.....	Tradesman's Bank,....	Isaac Stebbins,.....	William R. Pearmain,..	100,000
Danvers,.....	Danvers Bank,.....	Eben Shillaber,.....	George A. Osborne,....	150,000
"	Village Bank,.....	Moses Putnam,.....	William L. Weston,....	120,000
"	Warren Bank,.....	Elijah W. Upton,.....	Francis Baker,.....	120,000
Dedham,.....	Dedham Bank,.....	Jeremy Stimson,.....	L. H. Kingsbury,.....	200,000
Dorchester,...	Dorchester & Milton B.,	H. Temple,.....	Edward J. Bispham,...	100,000
"	Mattapan Bank,.....	Edward King,.....	Frederick Beck,.....	100,000
Fairhaven,....	Fairhaven Bank,.....	Ezekiel Sawin,.....	Reuben Nye,.....	200,000
Fall River,....	Fall River Bank,.....	David Anthony,.....	Hudson H. Fish,.....	300,000
" "	Massasoit Bank,.....	Jason H. Archer,.....	Leander Borden,.....	100,000
Fitchburg,....	Fitchburg Bank,.....	Francis Perkins,.....	Ebenezer Torrey,.....	200,000
"	Rollstone Bank,.....	Moses Wood,.....	Louis H. Bradford,.....	100,000
Framingham,..	Framingham Bank,....	Sullivan Fay,.....	Francis Jaques,.....	200,000
Falmouth,.....	Falmouth Bank,.....	John Jenkins,.....	Samuel P. Bourne,.....	100,000
Georgetown,..	Manufacturers' Bank,..	Warren Ordway,.....	George Foot,.....	100,000
Gloucester,...	Gloucester Bank,.....	Isaac Somes,.....	John J. Babson,.....	200,000
Greenfield,....	Franklin County Bank,.	Henry W. Cushman,...	A. G. Hammond,.....	150,000
Greenfield,....	Greenfield Bank,.....	Henry W. Clapp,.....	Franklin Ripley,.....	200,000
Gr't Barring'tn,	Mahawie Bank,.....	Wilber Curtis,.....	Henry Hooker,.....	100,000
Haverhill,.....	Haverhill Bank,.....	Hazen Morse,.....	James Gale,.....	150,000
"	Merrimac Bank,.....	James H. Duncan,.....	Eleazar A. Porter,.....	180,000
"	Union Bank,.....	George Cogswell,.....	James Noyes,.....	100,000
Hingham,.....	Hingham Bank,.....	Nathaniel Richards,....	John O. Lovett,.....	105,000
Lawrence,.....	Bay State Bank,.....	Charles S. Storrow,....	Nathaniel White,.....	300,000
Lancaster,.....	Lancaster Bank,.....	Jacob Fisher,.....	Caleb T. Symmes,.....	125,000
Leicester, ...	Leicester Bank,.....	Cheney Hatch,.....	Daniel E. Merriam,....	100,000
Lee,.....	Lee Bank,.....	Leonard Church,.....	Edward A. Bliss,.....	100,000
Milford,.....	Milford Bank,.....	Lee Claflin,.....	Rufus Brewer,.....	100,000
Lowell,.....	Appleton Bank,.....	John A. Knowles,.....	John A. Buttrick,.....	200,000
"	Lowell Bank,.....	Nathaniel Wright,.....	J. L. Ordway.....	200,000
"	Prescott Bank,.....	Joel Adams,.....	Artemas S. Tyler,.....	100,000
"	Rail Road Bank,.....	Benjamin F. French,...	Samuel W. Stickney,...	600,000
Lynn,.....	Laighton Bank,.....	F. S. Newhall,.....	E. W. Mudge,.....	100,000
"	Lynn Mechanic's Bank,.	Isaiah Breed,.....	James Oliver,.....	150,000
Marblehead,...	Grand Bank,.....	Knott Martin,.....	J. P. Turner,.....	100,000
"	Marblehead Bank,.....	John Hooper,.....	Samuel S. Tefry,.....	120,000
Millbury,.....	Millbury Bank,.....	Simon Farnsworth,....	John Prentiss,.....	50,000
Nantucket,....	Pacific Bank,.....	John W. Barrett,.....	William Mitchell,.....	200,000
Newburyport,.	Mechanics' Bank,.....	John Wood,.....	John Andrews,.....	200,000
"	Merchants' Bank,.....	Henry Johnson,.....	Samuel Mullikin,.....	210,000
"	Ocean Bank,.....	William Stone,.....	Jacob Stone,.....	100,000
New Bedford,.	Bedford Commercial,..	George Howland,.....	Thomas B. White,.....	400,000
" "	Marine Bank,.....	Joseph Grinnell,.....	John P. Barker,.....	300,000
" "	Mechanic's Bank,.....	William R. Rodman,...	Joseph Congdon,.....	200,000
" "	Merchants' Bank,.....	John Avery Parker,....	James B. Congdon,....	400,000
Newton,.....	Newton Bank,.....	William Jackson,.....	Daniel Kingsley,.....	150,000
Northampton,.	Holyoke Bank,.....	John Clarke,.....	Thomas Green,.....	200,000
"	Northampton Bank,....	Eliphalet Williams,....	Charles White,.....	200,000
North Adams,.	Adams Bank,.....	Duty S. Tyler,.....	William E. Brayton,...	150,000
Oxford,.....	Oxford Bank,.....	John Wetherell,.....	Alvan G. Underwood,..	100,000
Pawtucket,....	Pawtucket Bank,.....	J. C. Starkweather,....	Amos A. Tillinghast,...	100,000
Pittsfield,.....	Agricultural Bank,....	Edward A. Newton,...	Ezekiel R. Colt,.....	150,000
Plymouth,.....	Old Colony Bank,.....	John B. Thomas,.....	Schuyler Sampson,.....	100,000
"	Plymouth Bank,.....	J. L. Hedge,.....	Isaac N. Stoddard,.....	100,000
Quincy,.....	Quincy Stone Bank,....	Lemuel Brackett,.....	John C. Randall,.....	100,000
Randolph,.....	Randolph Bank,.....	Royal Turner,.....	Seth Turner,.....	150,000
Roxbury,.....	People's Bank,.....	Samuel Guild,.....	Baman Stone,.....	150,000
Salem,.....	Asiatic Bank,.....	N. W. Neal,.....	William H. Foster,....	200,000
"	Commercial Bank,.....	William Sutton	Edward H. Payson,....	200,000
"	Exchange Bank,.....	Gideon Tucker,.....	J. Chadwick,.....	200,000
"	Mercantile Bank,.....	David Putnam,.....	Stephen Webb,.....	200,000
"	Merchant's Bank,.....	John W. Treadwell,...	Francis H. Silsbee,....	200,000
"	Naumkeag Bank,.....	David Pingree,.....	J. Hardy Towne,.....	500,000
"	Salem Bank,.....	George Peabody,.....	Charles M. Endicott,...	250,000
Springfield,....	Agawam Bank,.....	Chester W. Chapin,...	Frederick S. Bailey,....	200,000
"	Chicopee Bank,.....	Samuel Reynolds,.....	Benjamin F. Warner,..	300,000
"	John Hancock Bank,...	Joseph M. Thompson,..	Edmund D. Chapin,....	50,000
"	Springfield Bank,.....	Benjamin Day,.....	Lewis Warriner,.....	300,000
"	Western Bank,.....	Caleb Rice,.....	George P. Bissell,.....	250,000
Salisbury,.....	Powow River Bank,...	Seth Clark,.....	John B. Webster,.....	100,000
Southbridge,..	Southbridge Bank,.....	Samuel A. Hitchcock,..	Samuel M. Lane,.....	100,000
Stockbridge,...	Housatonic Bank,.....	C. M. Owen,.....	J. D. Adams,.....	100,000
Taunton,.....	Bristol County Bank,...	William A. Crocker,...	William Muenscher,....	200,000
"	Machinist's Bank,.....	William Mason,.....	Charles R. Vickery,....	100,000

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Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Taunton,.....	Taunton Bank,.....	S. Rhodes,.....	Charles J. H. Bassett...	200,000
Uxbridge, ...	Blackstone Bank,.....	Paul Whiting,.....	Ebenezer W. Hayward,..	100,000
Ware,.....	Hampshire Manufact'rs,	Orrin Gage,.....	William Hyde,.....	200,000
Waltham, ...	Waltham Bank,.....	Charles Bemis,.....	D. A. Kimball,.....	100,000
Wareham,....	Wareham Bank,.....	Peter Mackie,.....	Thomas R. Miles,.....	100,000
Weymouth,...	Union Bank of W & B.,	Benjamin King,.....	John W Loud,.....	100,000
Westfield.....	Hampden Bank,.....	A. Post,.....	R. Weller.....	100,000
Worcester,....	Citizen's Bank,.....	Francis T. Merrick,....	George A. Trumbull,...	150,000
"	Central Bank,.....	Thomas Kinnicutt,.....	G. F. Hartshorn,.....	150,000
"	Mechanics' Bank,.....	Alexander DeWitt,....	P. Hammond.....	150,000
"	Quinsigamond Bank,...	William Jennison,.....	Charles A. Hamilton,..	100,000
"	Worcester Bank,.....	Stephen Salisbury,.....	William Cross,.....	200,000
Wrentham,...	Wrentham Bank,.....	D. A. Cook,.....	Calvin Fisher, Jr.,.....	150,000
Yarmouth,....	Barnstable Bank,.....	Isaiah Crowell,.....	Amos Otis,.....	200,000
	Total 100 *Banks.*	*Circulation* $9,600,000.	*Specie* $645,000. *Capit'l* $	16,405,000
		BOSTON.		
8 Kilby street,.	Atlantic Bank,.....	Pliny Cutler,.....	Benjamin Dodd,.....	500,000
8 " "	Atlas Bank,.....	Charles H. Brown,.....	Joseph White,.....	500,000
83 State street,.	Bank of Commerce,....	Edward C. Bates,.....	William H. Foster,....	750,000
99 " "	Bank of N. America,....	George W. Crockett,...	John K Hall,.....	500,000
48 State street,.	Boston Bank,.....	Robert Hooper,.....	James C. Wild,.....	900,000
Boylston-st.,	Boylston Bank,.....	William Parker,.....	John J. Soren.....	200,000
61 State street,.	City Bank,.....	Chas. W. Cartwright,..	John Earl Williams,...	1,000,000
34 " "	Columbian Bank,.....	John G. Torrey,.....	James M. Gordon,.....	500,000
70 " "	Eagle Bank,.....	Titus Wells,.....	Waldo Flint,.....	500,000
28 " "	Exchange Bank,.....	George W. Thayer,....	Joseph M. Marsh,.....	500,000
28 Sea street,	Freeman's Bank,.....	Solomon Piper,.....	Jeremy Drake,.....	250,000
22 State street,.	Globe Bank,.....	Ignatius Sargent,.....	Charles Sprague,.....	1,000,000
61 " "	Granite Bank,.....	George Denny,.....	Archibald Foster,.....	500,000
70 " "	Grocers' Bank,.....	Samuel G. Reed,.....	Pliny E. Kingman,.....	300,000
66 " "	Hamilton Bank,.....	Daniel Denny,.....	Otis Turner, Jr.....	600,000
Merch'ts Ex.,	Market Bank,.....	Josiah Stickney, ...	Jonathan Brown, Jr....	560,000
65 State street,.	Massachusetts Bank,...	John J. Dixwell,.....	James Dodd.....	800,000
South Boston,.	Mechanic's Bank,.....	James W. Converse,...	Alvan Simonds,.....	150,000
28 State street,.	Merchants' Bank,.....	Franklin Haven,.....	John J. May,.....	3,000,000
67 " "	New England Bank,....	Thomas Lamb,.....	Elijah P. Clarke,.....	1,000,000
Merch'ts Exch..	North Bank,.....	Oliver Eldredge.....	John B. Wetherbee,...	750,000
39 State street,.	Shawmut Bank,.....	John Gardner,.....	Stephen G Davis,.....	500,000
65 " "	Shoe & Leath'r Dealers',	Enoch Baldwin,.....	Samuel Carr,.....	750,000
40 " "	State Bank,.....	Samuel Frothingham,..	Jonathan Call,.....	1,800,000
60 " "	Suffolk Bank,.....	Jeffrey Richardson,....	Isaac C. Brewer,.....	1,000,000
91 " "	Traders' Bank,.....	Isaac Parker,.....	Jeremiah Gore.....	400,000
41 " "	Tremont Bank,.....	Andrew T. Hall,.....	A. T. Frothingham,....	1,000,000
40 " "	Union Bank,.....	Chester Adams,.....	Lemuel Gulliver,.....	1,000,000
75 " "	Washington Bank,.....	Almon D. Hodges,.....	Daniel A. Sigourney,...	500,000
Beach street,..	Cochituate Bank,.....	Samuel Gardner,.....	Calvin S. Lane,.....	150,000
	Total 30 *Banks.*	*Circulation* $5,000,000.	*Sp'cie* $2,100,000. *Cap'l* $	21,760,000
		VERMONT.		
Bellows Falls,..	Bank of Bellows Falls,..	Nathaniel Fullerton....	James H. Williams,....	100,000
Bennington,...	Stark Bank,.....	D. Love,.....	George W. Harman,...	75,000
Brandon,.....	Brandon Bank,.....	John A Conant,.....	Lorenzo Bixby,.....	40,000
Brattleboro,....	Bk.. of Brattleboro,....	E. Seymour,.....	Philip Wells,.....	150,000
Burlington,....	Bank of Burlington,....	Philo Doolittle,.....	Richard G. Cole,.....	150,000
"	Commercial Bank,.....	Harry Bradlee,.....	Martin A. Seymour,....	150,000
"	Farmers & Mechanics',..	John Peck,.....	Charles F. Warner,....	150,000
"	Merchants' Bank,.....	T. Follett,.....	Horatio S. Noyes,.....	75,000
Chelsea,.....	Orange County Bank,...	Leinent Bacon,.....	B. T. Blodget,.....	50,000
Danville,.....	Bank of Caledonia,....	Ira Brainard,.....	Samuel B. Mattocks,...	75,000
Irasburg,.....	Bank of Orleans,.....	Elijah Cleveland,.....	George C. West,.....	30,000
Manchester,...	Battenkill Bank,.....	Major Hawley,.....	William P. Black,.....	50,000
Middlebury,...	Bank of Middlebury,....	Paris Fletcher,.....	Joseph Warner,.....	75,000
Montpelier,....	Bank of Montpelier,....	Rawsel R. Keith,.....	George Howes,.....	100,000
"	Vermont Bank,.....	H. H. Reed,.....	John A. Page,.....	100,000
Orwell,.....	Farmers' Bank,.....	Gustavus A. Austin,....	Byron Murray, Jr.....	100,000
Poultney,.....	Bank of Poultney,.....	Marcus G. Langdon,....	Merritt Clark,.....	50,000
Proctorsville,..	Bank of Black River,...	Abner Field,.....	Daniel A. Heald,.....	50,000
Rutland,.....	Bank of Rutland,.....	George T Hodges,.....	John B. Page,.....	100,000
St. Albans,....	Bank of St. Albans,....	L. Brainard,.....	Abel Houghton,.....	50,000
St. Johnsbury,.	Passumpsic Bank,.....	J. P. Fairbanks,.....	E. C. Redington,.....	100,000
Sheldon,.....	Missisquoi Bank,.....	William Green,.....	Henry Howes,.....	50,000
Vergennes,....	Bank of Vergennes,....	S. P. Strong,.....	Isaiah Scott,.....	100,000
Wells River,...	Bank of Newbury,.....	Robert Harvey,.....	Oscar C. Hale,.....	75,000
Windsor.....	Ascutney Bank,.....	Allen Wardner,.....	Jason Steele,.....	50,000
Woodstock,....	Bank of Woodstock,....	O. P. Chandler,.....	Eliakim Johnson,.....	60,000
St. Albans Bay,	Franklin County Bank,.	O. A. Burton,.....	E. W. Parker,.....	70,000
	Total 27 *Banks.*	*Circulation* $2,800,000.	*Specie* $120,000. *Capital*	$2,225,000

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RHODE ISLAND.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Bristol,	Bank of Bristol,	Mark Anthony D'Wolf,	Martin Bennett,	150,000
"	Commercial Bank,	Jacob Babbit,	J. Frederic Baars,	75,000
"	Eagle Bank,	Robert Rogers,	J. E. French,	50,000
"	Freeman's Bank,	Nathaniel Bullock,	L. C. Richmond,	65,000
Cranston,	Cranston Bank,	Caleb Congdon,	A. B. Bailey,	25,000
Coventry,	Kent Bank,	Peleg Wilbur,	Anthony Tarbox,	40,000
Cumberland,	Cumberland Bank,	Davis Cook,	George Cook,	75,000
"	Woonsocket Falls Bk.,	Ezekiel Fowler,	L. W. Ballou,	100,000
Foster,	Mount Vernon Bank,	Samuel Tillinghast,	Raymond G. Place,	60,000
E. Greenwich,	Rhode Island Central,	William Reynolds,	Lemuel Burge,	81,950
Exeter,	Exeter Bank,	Christopher C. Greene,	Thomas Phillips,	21,330
Glocester,	Franklin Bank,	Horace Kimball,	A. A. Eddy,	38,000
Newport,	Merchants' Bank,	Isaac Gould,	Charles D. Hammett,	100,000
"	New Eng. Commercial,	George Bowen,	George T. Weaver,	75,000
"	Newport Bank,	William Vernon,	Stephen Cahoone,	120,000
"	Newport Exchange B.,	Nathan Hammet,	John Sterne,	60,000
"	Rhode I. Union Bank,	Charles Devens,	Robert P. Lee,	165,000
"	Bank of Rhode Island,	Peleg Clarke,	William A. Clarke,	100,000
"	Traders' Bank,	Edwin Wilbur,	Benjamin Mumford,	60,000
South Kingst'n,	Landholder's Bank,	Elisha R. Potter,	Thomas R. Wells,	100,000
" "	Wakefield Bank,	Sylvester Robinson,	Thomas C. Robinson,	50,000
N'rth Kingst'n,	North Kingstown Bank,	Jonathan Reynolds,	Pardon T. Hammond,	75,000
" "	Narragansett Bank,	Ezra D. Davis,	Nicholas N. Spink,	50,000
N. Provid'nce,	New Eng. Pacific Bk.,	Joseph Metcalf,	S. Cooke,	111,300
" "	North Providence Bk.,	G. L. Spencer,	John C. Tower,	91,350
" "	People's Bank,	S. Benedict,	J. S. Tourtellot,	51,150
Scituate,	Citizens' Union Bank,	Asahel Harris,	J. A. Harris,	40,000
Smithfield,	Globe Bank,	Spencer Mowry,	S. Newton,	69,775
"	Smithfield Exchange,	Owen Batty,	William Winsor,	45,000
"	Smithfield Union Bk.,	John Osborne,	Elisha T. Read	60,000
"	Village Bank,	William S. Slater,	William H. Seagrave,	60,000
Tiverton,	Fall River Union Bk.,	Nathaniel B. Borden,	William Coggeshall,	200,000
Warren,	Hope Bank,	Joseph Smith,	Thomas C. Williams,	125,000
"	Warren Bank,	Nathan M. Wheaton,	George W. Carr,	135,000
Warwick,	Centreville Bank,	John Green,	Moses Fifield,	50,000
"	Warwick Bank,	William D. Brayton,	J. Westcott,	25,000
Westerly,	Phoenix Bank,	Rowse Babcock,	Ethan Foster,	100,000
"	Washington Bank,	Nathan F. Dixon,	Charles Perry,	150,000
"	Hopkinton Bank,	S. A. Wright,	D. M. C. Stedman,	75,000
	Total 39 Banks.	*Circulation* $1,100,000.	*Specie* $130,000. *Capital*	$3,114,565

PROVIDENCE.

21 S. Main-st.	American Bank,	A. D. Smith,	S. H. Rathbone,	514,400
W'sh. B'il'ings,	Arcade Bank,	Paris Hill,	Joseph Hodges,	500,000
21 S'th Main,	Blackstone Canal Bk.,	Tully D. Bowen,	Daniel W. Vaughan,	450,000
4 Union Build.,	City Bank,	A. C. Barstow,	Amos W. Sn w,	200,000
143 S'th Main,	Commercial Bank,	William P. Bullock,	David Andrews,	360,000
23 Mark't S'q're,	Eagle Bank,	Benjamin D. Wheeden,	Stephen S. Wardwell,	401,000
55 Westminst'r,	Exchange Bank,	Benjamin Aborn,	Henry G. Gladding,	500,000
27 S'th Main,	Globe Bank,	William Sprague,	John L. Noyes,	410,000
154 High street,	High Street Bank,	Robert Knight,	James E. Butts,	120,000
21 Westminst'r,	Manufacturers' Bank,	Thomas Harkness,	William S. Patten,	471,300
207 N'rth Main,	Mech'nics & Man'fact'rs	Sylvanus G. Martin,	A. G. Stillwell,	186,150
27 S'th Main,	Mechanic's Bank,	Amasa Manton,	John A. Field,	500,000
12 Union Build.,	Merchants' Bank,	Josiah Chapin,	William B. Burdick,	500,000
11 Mark't S'q're,	National Bank,	George W. Hallet,	Ezra Bourne,	120,000
11 Westminst'r,	Bank of N'rth America,	Elisha Harris,	Henry E. Hudson,	425,000
19 "	Pawtuxet Bank,	Christopher Rhodes,	T. R. Green,	136,187
41 "	Phenix Bank,	Samuel B. Wheaton,	Benjamin White,	200,000
48 S'th Main,	Providence Bank,	Moses B. Ives,	C. L. Bowler,	500,000
23 Mark't S'q're,	Roger Williams' Bank,	Nehemiah R. Knight,	Nathaniel Smith,	500,000
	State Bank,	W. W. Hoppin,	T. H. Rhodes,	75,000
4 Union Build.,	Trader's Bank,	Earl Carpenter,	Henry A. Webb,	200,000
4 " "	Union Bank,	Elisha Dyer,	James B. Hoskins,	500,000
55 Westminst'r,	Weybosset Bank,	William Rhodes,	Luke Green,	344,300
25 "	Smithfield Lime Rock,	George Olney,	George L. Barnes,	100,100
	Total 24 Banks.	*Circulation* $1,400,000.	*Specie* $130,000. *Capital*	$8,234,037

CONNECTICUT.

Birmingham,	Manufacturers' Bank,	Edward N. Shelton,	James M. Lewis,	82,334
Bridgeport,	Bridgeport Bank,	S. Hartwell,	G. Burroughe,	210,000
"	Connecticut Bank,	Philo C. Calhoun,	Charles Foote,	335,300
"	Farmers' Bank,	Stephen Tomlinson,	S. K. Satterlee,	127,780
Brooklyn,	Windham County Bk.,	Adams White,	Erwin S. Chase,	65,100
Danbury,	Danbury Bank,	Samuel Tweedy,	Aaron Seeley,	98,080
Deep River,	Deep River Bank,	J. L. Hommedieu,	George Parker,	45,000
East Haddam,	East Haddam Bank,	John C. Palmer,	Thomas C. Boardman,	71,240
Falls Village,	Iron Bank,	William H. Walton,	A. C. Randall,	105,950
Hartford,	Connecticut River Bk.,	William H. Imlay,	John A. Butler,	250,000
"	Exchange Bank,	Elisha Colt,	Henry L. Bi well,	555,000
"	Farmers & Mechanics',	H. Goodwin,	W. T. Hooker,	357,100
"	Hartford Bank,	Daniel F. Robinson,	Henry A. Perkins,	1,131,900

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Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Hartford,.....	Phoenix Bank,.....	George Beach,.....	John L. Bunce,.....	1,285,600
"	State Bank,.....	Solomon Porter,.....	Thomas Belknap,.....	300,000
Jewett City,...	Jewett City Bank,.....	David Smith,.....	John Johnson,.....	44,000
Meriden,.....	Meriden Bank,.....	Noah Pomeroy,.....	Joseph Arnold,.....	200,000
Middletown,...	Middlesex County Bk.,.	Charles R. Sebor,.....	William S. Camp,.....	223,500
"	Middletown Bank,.....	John H. Watkinson,...	Frederick L. Gleason,..	369,300
Mystic,.....	Mystic Bank,.....	Elisha Faxon,.....	George W. Noyes,.....	52,800
New Haven,...	City Bank,.....	Ezra C. Read,.....	Frances Bradley,.....	500,000
" "	Mechanics' Bank,.....	John Fitch,.....	John W. Fitch,.....	300,000
" "	New Haven Bank,.....	Hervey Sanford,.....	Amos Townsend,.....	361,800
" "	New Haven County B.,.	Henry Hotchkiss,.....	Ransom Burritt,.....	517,075
New London,..	New London Bank,....	E. Chappell,.....	Elijah F. Dutton,.....	150,878
" "	Union Bank,.....	Jonathan Starr,.....	Joseph C. Sistare,.....	100,000
" "	Whaling Bank,.....	Peter C. Turner,.....	Joseph C Douglass,...	103,750
Norwalk,.....	Fairfield County Bank,.	Charles Bissell,.....	T. Warner, Jr.,.....	100,000
Norwich,.....	Merchants' Bank,.....	William Williams,.....	Joel W. White,.....	210,129
"	Norwich Bank,.....	Charles Johnson,.....	Frank Johnson,.....	210,000
"	Quinebaug Bank,.....	Samuel C. Morgan,....	Edward H. Learned,...	250,000
"	Thames Bank,.....	Edward Whiting,.....	Lyman Brewer,.....	319,400
Pawcatuc,.....	Pawcatuc Bank,.....	Otho M. Stillman,.....	James A. Morgan,.....	50,000
Saybrook,.....	Saybrook Bank,.....	Samuel Ingham,.....	Henry Hart,.....	51,780
Stamford,.....	Stamford Bank,.....	John W. Leeds,.....	Charles G. Rockwood,.	60,000
Stonington,...	Stonington Bank,.....	Ephraim Williams,....	Francis Amy,.....	59,650
Thompson,....	Thompson Bank,.....	Tailcott Crosby,.....	Joseph B. Gay,.....	60,000
Tolland,.....	Tolland County Bank,..	John H. Brockway,....	James R. Flynt,.....	80,800
Waterbury,...	Waterbury Bank,.....	Bennet Bronson,.....	David Ames, Jr.,.....	200,000
Windham,....	Windham Bank,.....	S. H. Wallcott,.....	Samuel Bingham,.....	60,000
Winsted,.....	Winsted Bank,.....	George Dudley,.....	William H. Hill,.....	74,235
Southport,....	Conn. Branch Bank,...	Jessup Alvord,.....	Willys Atwater,.....	100,000
	Total 42 *Banks.*	*Circulation* $5,200,000.	*Specie* $640,000. *Capital* $	10,073,101

NEW YORK.

Albany,.....	Albany City Bank,.....	Erastus Corning,.....	Watts Sherman,.....	500,000
"	Albany Exchange Bk.,..	Samuel Pruyn,.....	Noah Lee,.....	311,100
"	Bank of Albany,.....	Jacob H. Ten Eyck,....	Edward E. Kendrick,..	240,000
"	Commercial Bank,.....	John Townsend,.....	James Taylor,.....	300,000
"	Mechanic's & Farmers..	Thomas W. Olcott,....	Thomas Olcott,.....	442,000
"	N. Y. State Bank,.....	Rufus H. King,.....	Josiah B. Plumb,.....	250,000
Brooklyn,.....	City Bank,.....	John Stillman,.....	R. P. Perrin,.....	369,600
Brooklyn,.....	Atlantic Bank,.....	Daniel Embury,.....	John L. Doughty,.....	500,000
"	Brooklyn Bank,.....	John Blunt,.....	Hector Morison,.....	150,000
"	Long Island Bank,.....	William S. Herriman,..	George L. Sampson,....	300,000
Adams,.....	Hungerford's Bank,....	S. D. Hungerford,.....	Samuel Wardwell,.....	10,000
Adirondac,....	McIntyre Bank,.....	Andrew Porteus,.....		25,000
Albion,.....	Bank of Albion,.....	Roswell S. Burrows,...	Lorenzo Burrows,.....	75,900
"	Bank of Orleans,.....	Alexis Ward,.....	Thomas S. Clark,.....	200,000
Amenia,.....	Dutchess County Bank,		Hiram Vail,.....	50,000
Amsterdam,...	Farmers Bank of A....	Cornelius Miller,.....	Marquis Barnes,.....	115,000
Ashford,.....	Cortland County Bank,	B. Palmer,.....		
Auburn,.....	Bank of Auburn,.....	J. S. Seymour,.....	C. H. Merriman,.....	250,000
"	Cayuga County Bank,..	Nelson Beardsley,.....	Josiah N. Starin,.....	200,000
Arietta,.....	F'rm'rs B.of H'milt'n Co	W. B. Peck,.....		6,004
Ballston Spa,..	Ballston Spa Bank,....	James M. Cook,.....	Isaac Fowler,.....	125,000
Batavia,.....	Bank of Genessee,.....	Phineas L. Tracy,.....	Jonathan E. Robinson,.	100,000
"	Exch. Bk. of Genessee,.	D. W. Tomlins n,.....	H. T. Cross,.....	100,075
"	Farmers' & Mechanics',	John S. Ganson,.....	Corneal R. Ganson,....	51,456
Bath,.....	Steuben County Bank,.	William W. McCay,....	John Magee,.....	150,000
Binghampton,.	Broome County Bank,..	Cyrus Strong,.....	Tracy R. Morgan,.....	100450
Bolivar,.....	Bank of New Rochelle,	Nelson Hoyt,.....	William L. Taylor,.....	10,000
Brasher Falls,.	North'rn Exch. Bank,..	Calvin T. Hubbard,....	J. T. Walsh,.....	3,000
Buffalo,.....	Bank of Attica,.....	J. S. Garson,.....	Andrew J. Rich,.....	2 5,000
"	Bank of Lake Erie,....	Danford N. Barney,....	Thomas N. Janes,.....	60,000
"	Exchange Bank,.....	R. Codd,.....	R. Houliston,.....	53,000
"	Hollister Bank,.....	John Hollister,.....	Robert H. Shearman,..	175,000
"	Marine Bank,.....	George Palmer,.....	James M. Ganson,.....	150,000
"	Oliver Lee & Co. Bk.,..	Francis H. Tows,.....	Henry L. Lansing,.....	160,000
"	Patchin Bank,.....	Aaron D. Patchin,.....	J. Stringham,.....	100,000
"	Pratt Bank,.....	Lucius F. Tiffany,.....	Henry C. Wright,.....	50,000
"	White's Bank,.....	George C. White,.....	William Williams,....	60,000
Cambridge,....	Western Bank,.....			
Canandaigua,..	Merchants' Bank,.....	A. G. Morton,.....		9,900
"	Ontario Bank,.....	John Greig,.....	Henry B. Gibson,.....	200,000
Camden,.....	Camden Bank,.....	Jacob Cromwell,.....	W. B. Storm,.....	120,000
Carmel,.....	Merchants & Farmers',	Samuel Washburn,....	Edgar Washburn,.....	85,000
Catskill,.....	Catskill Bank,.....	Francis N. Wilson,....	George Ellis,.....	125,000
"	Tanners Bank,.....	S. S. Day,.....	Frederick Hill,.....	100,000
Chester,.....	Chester Bank,.....	James Wheeler,.....	Alexander Wright,....	100,400
Clinton,.....	Kirkland Bank,.....	A. G. Gridley,.....	Frederick Gridley,....	50,000
Cherry Valley,.	Central Bank,.....	David H. Little,.....	Horatio J. Olcott,.....	120,000
Cooperstown,.	Otsego County Bank,..	Henry Phinney,.....	Henry Scott,.....	100,000
Corning,.....	Bank of Corning,.....	Hiram W. Bostwick,..	Laurin Mallory,.....	104,500
Cazenovia,....	Madison County Bank,.	Jacob TenEyck,.....	B. Rush Wendell,.....	100,000
Dansville,.....	Bank of Dansville,....	Lester Bradner,.....	Lauren C. Woodruff,...	50,250
Delhi,.....	Delaware Bank,.....	Charles Marvin,.....	Walter H. Griswold,..	144,000
Durham,.....	New York Stock Bank,	Platt Adams,.....	A. Marks,.....	20,000
Ellenburg,.....	Champlain Bank,.....	J. B. McLane,.....	M. Hale,.....	6,000

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Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital*
Elmira,.....	Chemung Canal Bank,.	Charles Cook,.....	John Arnot,.....	200,000
Fairport,.....	Bk. of the Empire State,	W. H. Van Duzer,....		5,930
Farmer's Mills,	Putnam County Bank,..	D. Kent,.....	H. Townsend,.....	324,486
Fishkill,.....	Bank of Fishkill,.....	Samuel A. Hoyt,.....	Jas. E. Van Steenburgh,	150,000
Fort Plain,....	Fort Plain Bank,.....	John H. Moyer,.....	Amos A. Bradley,.....	100,000
Friendship,....	Commercial Bank,.....	L. Stockwell,.....	Charles Colgate,.....	5,000
French Creek,.	Fr'nklin B.of Chaut'ng'e	W. H. Jones,.....		5,000
Fredonia,.....	H. J. Miner's Bank,....	H. J. Miner,.....	N. B. Hungerford,.....	50,000
Genessee,.....	Livingston County Bk,..	Allen Ayrault,.....	Ephraim Cone,.....	100,000
Geneva,.....	Bank of Geneva,.....	Charles A. Cook,.....	William E. Sill,.....	400,000
Genoa,.....	Knickerbocker Bank,...	J. M. Dunning,.....		5,000
Goshen,.....	Bank of Orange County,	Ambrose S. Murray,....	Thomas T. Reeve,.....	105,650
Hartford,.....	Hartford Bank,.....	G. W. Wesley,.....		15,000
Herkimer,.....	Agricultural Bank,.....	Corn'lius T. E.Van Horn	Harvey Doolittle,.....	100,800
Hinmanville,..	Oswego County Bank,.	W. G. Young,.....		15,000
Hudson,.....	Farmers Bank,.....	E. Gifford,.....	A. R Holmes,.....	156,050
"	Hudson River Bank,....	Oliver Wiswall,.....	Aaron B. Scott,.....	150,000
Huntsville,....	New York Security Bk,.			5,000
Ithaca,.....	Merchants' & Farmers',	J. B. Williams,.....	Charles E. Hardy,.....	58,000
"	Tompkins County Bk,..	Hermon Camp,.....	Nathan T. Williams,..	250,000
Jamestown,...	Chautauque Cyunty Bk.,	Samuel Barrett,.....	Robert Newland,.....	100,000
Jamesville,....	James Bank,.....			80,113
Johnstown,...	Montgomery Co., Bk,..	James W. Miller,....	Edward Wells,.....	100,000
Keeseville,....	Essex County Bank,....	Silas Arnold,.....	Andrew Thompson,....	100,000
Kinderhook,...	Bank of Kinderhook,..	John P. Beekman,.....	Franklin G. Guion,....	125,000
Kingston,.....	Kingston Bank,.....	Jonathan H. Hasbrouck,	Joseph S. Smith,.....	200,000
"	Ulster County Bank,...	Cornelius Bruyn,.....	James S. Evans,.....	100,000
Lansingburg,..	Bank of Lansingburg,..	John S. Fake,.....	Pliny M. Corbin,.....	120,000
Leedsville,....	Amenia Bank,.....	T. D. Hunt,.....		10,000
LeRoy,.....	Genessee County Bank,	John Lent,.....	Miles P. Lampson,.....	100,000
Lockport,.....	Canal Bank,.....	Alfred B. Judd,.....	W. W. Vanzandt,.....	100,000
"	Commercial Bank,....	S. P. Stokes,.....	James Denniston,.....	25,000
"	Exchange Bank,.....	Henry S. Harvey,.....	William T. Rogers,....	60,000
"	L'ckp'rt B'nk'g&Tr'stCo	Isaac C. Colton,.....	John J. B. Spooner,....	110,800
Lowville,.....	Bank of Lowville,.....	Isaac W. Bostwick,....	James L. Leonard,....	102,450
Madrid,.....	Northern Bank,.....	John Horton,.....	A. Greenleaf,.....	10,000
Mayville,.....	American Bank,.....	W. Green,.....		100
Martinsburg,..	Lewis County Bank,...	Lyman R. Lyons,.....	E. N. Merriam,.....	100,000
Mina,.....	Farmers' Bank,.....	Isaac Relf,.....		5,000
Middletown,...	Middletown Bank,.....	Joseph Davis,.....	William M. Graham,..	100,000
Mohawk,.....	Mohawk Valley Bank,..	Benjamin Carver,.....	Francis E. Skinner,....	125,000
Naples,.....	White Plains Bank,....	Emory B. Pottle,.....		5,000
Newark,.....	Palmyra Bank,.....	S. K. Winiams,.....	Fletcher Williams,.....	20,000
Newburgh,....	Bank of Newburgh,....	John Chambers,.....	George W. Kerr,.....	140,000
"	Highland Bank,.....	George Cornwell,.....	Alfred Post,.....	200,000
"	Powell Bank,.....	Samuel Williams,.....	Thomas C. Ring,.....	100,000
Norwich,.....	Bank of Chenango,....	Ira Wilcox,.....	Walter M. Conkey,.....	120,000
N'rth Gr'nville,	Northern Canal Bank,..			100,800
Oswego,.....	City Bank of Oswego,..	S. Hubbell Reynolds,..	Delos DeWolf,.....	125,000
Ogdensburg,...	Ogdensburg Bank,.....	James Averell,.....	John D. Judson,.....	100,000
"	Drovers Bank,.....	W. Smith,.....	H. Leonard,.....	10,000
Oswego,.....	Luther Wright's Bank,.	Luther Wright,.....	S. H. Lathrop,.....	160,000
Owego,.....	Bank of Owego,.....	W. Pumpelly.....	James Wright,.....	200,000
Palmyra,.....	Cuyler's Bank,.....	George W. Cuyler,....	Stephen P. Seymour,..	20,000
Pawling,.....	Bank of Pawling,.....	A. J. Akin,.....	J. W. Bowdutch,.....	125,000
Pennyan,.....	Yates County Bank,...	Asa Cole,.....	William M Oliver,....	100,000
Peekskill,.....	Westchester Co., Bk.,	Isaac Seymour,.....	Dorin F. Clapp,.....	200,000
Pine Plains,...	Pine Plains Bank,.....	Reuben W. Bostwick,..	John F. Hull,.....	100,000
Prattsville,....	Prattsville Bank,.....	Zadock Pratt,.....	G. W. Pratt,.....	100,000
Poughkeepsie,.	Bank of Poughkeepsie,	Thomas L. Davies,....	Reuben North,.....	100,000
"	Farm'rs & Man'factur'rs	William A. Davis,.....	Frederick M. Davis,....	300,000
"	Merchant's Bank,.....	Matthew J. Myers,....	James H. Fonda,.....	150,000
Putnam Valley	Putnam Valley Bank,..	A. Smith,.....		64,816
Randolph,.....	Village Bank,.....	T. S. Sheldon,.....	J. C. Calhoun,.....	3,000
Rochester,....	Commercial Bank,.....	Asa Sprague,.....	George R. Clark,.....	330,000
"	Farmers & Mechanics',	A. G. Smith,.....	E. Huntington,.....	50,000
"	Rochester Bank,.....	Freeman Clark,.....	P. W. Handy,.....	100,000
"	Rochester City Bank,..	Thomas H. Rochester,..	Christopher T. Amsden,	400,000
Rome,.....	Bank of Rome,.....	John Stryker,.....	George R. Thomas,....	100,000
"	Fort Stanwix Bank,....	David Utley,.....	William W. Nellis,....	110,000
Rondout,.....	Bank of Rondout,.....	Jansen Hasbrouck,.....	Henry H. Reynolds,....	100,000
Little Falls,...	Herkimer County Bk,...	Henry P. Alexander,...	Albert G. Story,.....	200,000
Sacket's Harb'r	Sackets Harbor Bank,..	Elbridge G. Merrick,..	James C. Dann,.....	200,000
Sag Harbor,...	Suffolk County Bank,..	William Adams,.....	G. S. Adams,.....	50,000
Sar't'ga Springs	Bk. of Saratoga Springs,	Thomas J. Marvin,....	John S. Leake,.....	60,000
Sangerties,....	State Bk. of Sangerties,	Russell N. Isaacs,.....		10,000
Schenectady,..	Mohawk Bank,.....	John J. DeGraff,.....	William B. Walton,....	165,000
"	Schenectady Bank,.....	Jay Cady,.....	William L. Goodrich,..	150,000
Silver Creek,..	Bank of Silver Creek,..	George W. Tew,.....	C. C. Swift,.....	92,850
Somers,.....	Farm. & Drovers' Bk.,.	Horace Bailey,.....	William Coffin,.....	111,150
Syracuse,.....	Bank of Syracuse,.....	John Wilkinson,.....	Horace White,.....	200,000
"	Onondaga County Bk,..	Oliver Teal,.....	Hamilton White,.....	150,000
"	Syracuse City Bank,...	James E. Heron,.....	H. Seymour Lansing,..	110,000
"	Bank of Salina,.....	David Munro,.....	Miles W. Bennett,.....	150,000
"	Merchants Bank,.....	John D. Norton,.....	Eli H. Sherman,.....	135,000
Troy,.....	Bank of Troy,.....	Nathan Dauchy,.....	John Paine,.....	440,000
"	Commercial Bank,.....	Elias Plum,.....	Frederick Leake,.....	200,000
"	Farmers' Bank,.....	Jas Van Schoonhoven,.	Philander Wells,.....	278,000

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Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Troy,.....	Merchants & Mechanics'	George Vail,.....	Charles S. Douglass,...	200,000
"	Troy City Bank,.....	George B. Warren,....	Silas K. Stow,.....	300,000
"	Union Bank,.....	Joel Mallay,.....	John Kerr,.....	250,000
Unadilla,.....	Unadilla Bank,.....	A. B. Watson,.....	C. J. Hayes,.....	100,000
Utica,.....	Bk. of Central N. York,	Anson Thomas,.....	T. Ossian Gramiss,....	110,000
"	Bank of Utica,.....	Thomas Walker,.....	William B. Welles,....	600,000
"	Oneida Bank,.....	Alfred Munson,.....	B. B. Lansing,.....	400,000
"	Ontario Branch Bank,..	Alexander B. Johnson,..	James S. Lynch,.....	300,000
"	Utica City Bank,.....	H. Denio,.....	C. S. Wilson,.....	200,000
Union Ellery,..	Merch. B. of Chautauque	O. Benedict,.....	T. Edmonds, Jr.,.....	10,000
Union Village,.	Washington Co. Bk....	Henry Holmes,.....	Edwin Andrews,.....	150,075
Vernon Village,	Bank of Vernon,.....	John J. Knox,.....	Theodore F. Hand,.....	100,000
Waterford,....	Saratoga County Bank,.	John Knickerbacker,...	Moses S. Scott,.....	100,000
Waterloo,.....	Seneca County Bank,..	David S. Skaats,.....	William V. J. Mercer,..	100,000
Watertown,...	Bank of Watertown,...	Thomas C. Chittenden,.	Benjamin Corey,.....	55,828
"	Black River Bank,....	Lovland Paddock,.....	Horatio G. Gilbert,....	75,000
"	Citizens Bank,.....			20,000
"	Henry Keep's Bank,....			20,000
"	Jefferson County Bank,.	Norris M. Woodruff,...	Orville V. Brainard,....	200,000
"	Wat'rt'wn B. & Loan Co	G. C. Sherman,.....	P. V. Rogers,.....	50,000
"	Wooster Sherman's Bk.	Wooster Sherman,.....	John H. Rice,.....	50,000
Westfield,.....	Bank of Westfield,....	S. B. Hungerford,.....	J. N. Hungerford,.....	50,000
Waterville,....	Bank of Waterville,...	Julius Candee,.....	Daniel B. Goodwin,....	100,000
Whitehall,....	Bank of Whitehall,....	Dennis Jones,.....	Henloke W. Palmer,...	100,000
"	Commercial Bank,.....	A. H. Griswold,.....	C. M. Davison,.....	108,100
Whitestown,..	Bank of Whitestown,..	S. Newton Dexter,....	James S. Thomas,.....	120,000
	Total 162 *Banks.*	*Circulation* $16,000,000.	*Specie* $880,000. *Capital* $	20,949,732
		NEW JERSEY.		
Belvidere,.....	Belvidere Bank,.....	J. I. Blair,.....	John Stuart,.....	146,880
Bridgton,.....	Cumberland Bank,.....	James B. Potter,.....	William G. Nixon,.....	52,050
Burlington,....	Mechanics' Bank,.....	William R. Allen,.....	James Sterling,.....	50,000
Camden,.....	State Bank,.....	John Gill,.....	Auley M'Calla,.....	20,000
Dover.....	Union Bank,.....	G. M. Hinchman,.....	Thomas B. Segur,.....	100,000
Elizabethtown,	State Bank,.....	Charles Davis,.....	James Crane,.....	200,000
Medford,.....	Burlington Co. Bank,..	Benjamin Shreve,.....	Jonathan Oliphant,....	50,000
Mount Holly,..	Farmers' Bk. of N. J...	John Black,.....	John Beatty,.....	100,000
Middletown Pt.	Farmers & Merchants'.	Asbury Fountain,.....	Elihu Baker,.....	50,000
Morristown,...	Morris County Bank,...	Henry A. Ford,.....	Theodore T. Wood,....	50,000
Newark,.....	Mechanics' Bank,.....	Joseph A Halsey,.....	Mathias W. Day,.....	500,000
"	Newark Bk. & Ins. Co.,	John Taylor,.....	Jacob D. Vermilye,....	508,650
"	State Bank,.....	Elias Van Arsdale,.....	J. D. Orton,.....	400,000
New Br'nswick	State Bank,.....	Fitz Randolph Smith,...	John B. Hill,.....	140,000
"	Farmers and Mechanics'	John Van Dyke,.....	Moses F. Webb,.....	50,340
Newton,.....	Sussex Bank,.....	David Ryerson,.....	Samuel D. Morford,....	134,180
Orange, ...	Orange Bank,.....	Stephen D. Day,.....	William H. Vermilye,..	102,500
Perth Amboy,.	Commercial Bank,.....	Herman Bruen,.....	R. H. Cornwell,.....	60,000
Paterson,.....	People's Bank,.....	D. Burnett,.....	Henry C. Stimson,.....	75,000
Princeton,.....	Princeton Bank,.....	George. T. Olmsted,...	Louis P. Smith,.....	90,000
Rahway,.....	Farmers & Mechanics'.	Joseph O. Lufbery,.....	Frederick King,.....	130,000
Salem,.....	Salem Banking Co.,....	Calvin Belden,.....	George C. Rumsay,.....	75,000
Somerville,....	Somerset County Bank,	J. Doughty,.....	William G. Steele,.....	50,000
Trenton,.....	Mech. & Manufacturers'	George Dill,.....	Timothy Abbott,.....	100,000
"	Trenton Bank,.....	Philemon Dickinson,...	Thomas J. Stryker,.....	210,000
Wantage,.....	Farmers' Bank,.....	James C. Havens,.....	Thomas D. Armstrong,..	50,000
	Total 26 *Banks.*	*Circulation* $2,900,000	*Specie* $690,000 *Capital*	$3,754,900
		PHILADELPHIA.		
Chesnut street,	Bank of Commerce,...	A. E. Borie,.....	James C. Donnell,.....	250,000
" "	Bk. of North America,.	John Richardson,.....	John Hockley,.....	1,000,000
Vine street,....	Bk. of North'n Liberties,	Robert L. Pitfield,.....	Stephen W. Caldwell,..	350,000
Second street,.	Bank of Pennsylvania,..	Joseph Trotter,.....	George Philler,.....	1,875,000
Vine street, ...	Bk. of Penn. Township,	Elijah Dallett,.....	James Russell,.....	225,000
Market street,.	Commercial Bk. of Pa..	Jacob M. Thomas,.....	Jacob J. Cope,.....	1,000,000
Chesnut street,	Farm. & Mechanics' B.,	Singleton A. Mercer,...	Edwin M. Lewis,... ..	1,250,000
Third street,..	Girard Bank,.....	Charles S. Boker,.....	William L. Schaffer,...	1,250,000
Beach street,..	Kensington Bank,.....	Jonathan Wainwright,..	Charles Keen,.....	250,000
Vine street,....	Manuf. & Mechanics'...	John Jordan,.....	M. W Woodward,.....	300,000
Third street,...	Mechanics' Bank,.....	Josept B. Mitchell,....	William Thaw,.....	800,000
Chesnut ttreet,	Philadelphia Bank,.....	Samuel F. Smith,.....	John B. Trevor,.....	1,150,000
Second street,.	Southwark Bank,.....	James S Smith, Jr.,....	J. B. Austin,.....	250,000
" "	Tradesmens' Bank,....	Charles H. Rogers,....	J. C. Curran,.....	150,000
Chesnut street,	Western Bank,.....	Joseph Patterson,.....	George M. Troutman,..	418,600
	Total 15 *Banks.*	*Circulation* $4,130,000	*Coin* $4,000,000 *Capital* $	10,518,600
		TEXAS.		
Galveston,.....	Commer. & Agricultur'l	Samuel M. Williams,...	H. Jenkins.....	$300,000
		WISCONSIN.		
Milwaukie,....	Marine & Fire Ins. Co.	George Smith,.....		$225,000

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PENNSYLVANIA.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Danville,.....	Bank of Danville,.....	Peter Baldy,.....	George A. Frick,.....	50,000
Bristol,.....	Farmers' B., Bucks Co.,	John Paxon,.....	Robert C. Beatty,.....	92,220
Brownsville,...	Monongahela Bank,.....	James L. Bowman,....	David Smyth Knox,....	138,000
Carlisle,.....	Carlisle Deposit Bank,..	J. H. Graham,.....	Wm. M. Beetem,.....	22,400
Chambersburg,	Bk. of Chambersburg, .	Jos. Culbertson,.....	James Lesley,.....	205,450
Chester,.....	Bk. of Delaware Co.,...	Jesse J. Maris,.....	Fred. J. Hinkson,.....	155,640
Columbia,.....	Columbia B. & B. Co.,.	David Rhinehart,.....	Samuel Shock,.....	507,300
Doylestown,...	Doylestown Bank,.....	harles E. Dubois,....	J. Hart,.....	50,000
Easton,.....	Easton Bank,.....	Thomas McK en,.....	John Sinton,.....	400,000
Germantown,..	Bank of Germantown,..	Charles Magarge,.....	Samuel Harvey,.....	152,000
Gettysburg,...	Bank of Gettysburg,....	Robert Smith,.....	Joseph B. McPherson,..	123,873
Hanover,.....	Hanover Sav'g F'nd Soc.			36,000
Harrisburg,....	Dauphin Deposit Bank,.	James M'Cormick,.....	Robert J. Ross,.....	50,000
"	Harrisburg Bank,.....	Thomas Elder,.....	James W. Weir,.....	300,000
Honesdale,....	Honesdale Bank,.....	Robert L. Seeley,.....	Samuel D. Ward,.....	82,000
Lancaster,.....	Farmers' Bank,.....	C. Huger,.....	Gerardus Clarkson,....	350,000
"	Lancaster Bank,.....	D. Longnecker,.....	B. C. Bachman,.....	403,900
"	Lancaster County Bank,	John Landis,.....	Robert D. Carson,.....	147,928
"	Lancast'r Savings' Inst.,	Emmanuel Schaffer,....	Charles Boughter,.....	20,320
Lebanon,.....	Lebanon Bank,.....	John W. Glonnger,....	George Gleim,.....	80,320
Middletown,...	Bank of Middletown,...	Mercer Brown,.....	Simon Cameron,.....	97,275
Norristown,...	Bk., of Montgomery Co.	John Boyer,.....	William H. Slingluff,...	323,655
North'mberl'nd	Bk. of Northumberland,	John Taggart,.....	Joseph R. Priestley,....	150,000
Erie,.....	Erie Bank,.....	Charles M. Reed,.....	George McSpurren,.....	101,695
Pittsburg,.....	Bank of Pittsburg,.....	John Graham,.....	John Snyder,.....	1,142,520
"	Exchange Bank,.....	William Robinson, Jr.,.	Thomas M. Howe,.....	813,845
"	Farmers' Deposit Bank,			62,500
"	Merchants & Manuf'rs'.	F. G. Bailey,.....	William H. Denny,.....	600,000
Pottsville,.....	Miners' Bank,.....	John Shropen,.....	Charles Loeser,.....	199,920
Reading,.....	Farmers' Bank,.....	Isaac Eckert,.....	Henry H. Muhlenberg,..	300,300
Sch'ykill Hav'n	Farmers' Bank of S. Co.	J. Reifsnyder,.....	J. W. Clarke,.....	100,000
Washington,...	Franklin Bank,.....	Thos. M. T. McKennan,	John Marshel,.....	120,000
Waynesburg,..	Farmers & Drovers' Bk.	Jesse Hook,.....	John Lazear,.....	100,000
Westchester,..	Bank of Chester County,	William Darlington,...	Washington Townsend,	225,000
Wilkesbarre,..	Wyoming Bank,.....	G. M. Hallenback,.....	Edward Lynch,.....	85,330
Williamsport,.	West Branch Bank,....	A. Updegraff,.....	Thomas W. Lloyd,.....	100,000
York,.....	York Bank,.....	James Lewis,.....	Samuel Wagner,.....	250,000
"	York Savings' Bank,...	John G. Campbell,.....	William Wagner,.....	50,000
	Total 38 *Banks.*	*Circulation* $7,000,000.	*Specie* $2,500,000 *Capital*	$8,009,781

MARYLAND.

Annapolis,....	Farmers' Bank of Md.,..	George Wells,.....	Thomas Franklin,.....	298,000
Cumberland,..	Cumberland Bank,.....	David Shriver,.....	Joseph Shriver,.....	112,937
"	Mineral Bank,.....	Thomas J. McKaig,....	Joseph H. Tucker,.....	169,137
Ellicott's Mills,	Patapsco Bank,.....	Thomas B. Dorsey,.....	B. U. Campbell,.....	125,000
Easton,.....	Farmers' Bk., (Branch).	Theod're R. Lockerman,	Richard Thomas,.....	271,575
Frederick,.....	"	Richard Potts,.....	Godfrey Koontz,.....	250,000
"	Farmers & Mechanics',	William Tyler,.....	Thomas W. Morgan,...	125,130
"	Frederick County Bank,	Alexander B. Hanson,..	James H. Williams,....	150,000
Hagerstown,..	Hagerstown Bank,.....	Alexander Neill,.....	Elie Beatty,.....	250,000
Port Deposit,..	Cecil Bank,.....	Jonathan Tome,.....	A. Anderson,.....	50,000
Westminster,..	Bank of Westminster,..	Isaac Shriver,.....	John Fisher,.....	60,000
"	Farmers & Mechanics'.	Jacob Matthias,.....	Jacob Reese.....	50,000
Williamsport,.	Washington Co., Bk.,..	Daniel Weisel,.....	John Van Lear, Jr.,....	135,000
	Total 12 *Banks.*	*Circulation* $1,200,000.	*Specie* $400,000. *Capital*	$1,997,079

BALTIMORE.

Baltimore-st.,..	Bank of Baltimore,....	James H. McCulloh,...	C. C. Jamison,.....	1,200,000
North street,..	Chesapeake Bank,.....	John S. Gittings,.....	James Lownds,.....	311,473
Baltimore-st.,..	Citizens' Bank,.....	Adam Denmead,.....	William L. Richardson,.	100,000
Howard street,	Commercial & Farmers'	Thomas Meredith,.....	Trueman Cross,.....	512,560
South street,..	Farmers & Merchants'..	J. Hanson Thomas,....	John Loney,..	393,569
" "	Farmers & Planters'....	William E. Mayhew,...	Thomas B. Rutter,.....	600,625
North street,..	Franklin Bank,.....	John J. Donaldson,.....	Aquila P. Giles,.....	301,850
Gay street,....	Marine Bank,.....	Jacob Bier,.....	Philip Littig, Jr.,.....	310,000
N'rth Calv'rt-st	Mechanics' Bank,.....	John B. Morris,.....	James W. Allnut,.....	593,938
Gay street,....	Merchants' Bank,.....	James Swan,.....	Daniel Sprigg,.....	1,500,000
N'rth Chas.-st.,	Union Bank of Md.,....	John M. Gordon,.....	Robert Mickle,.....	916,350
Eutaw street,..	Western Bank,.....	Chauncey Brooks,.....	James H. Carter,.....	400,000
	Total 12 *Banks.*	*Circulation* $2,050,000.	*Specie* $2,127,000. *Capital*	$7,140,316

MISSISSIPPI.

Holly Springs,.	Northern Bk. of Miss.,..	J. C. Alderson,.....	William E. Chittenden,	$100,000

IOWA.

Dubuque,.....	Miners' Bank,.....	John Wharton,.....	M. Mobley,.....	$200,000

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VIRGINIA.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Alexandria,....	Exchange Bk., of Va.,..	Robert Jamison,.....	John Hoof,.....	107,000
"	Farmers' Bk., of Va.,...	Phineas Janney,.....	Washington C. Page,...	300,000
Buchanan, ...	Bank of Virginia,.....	Charles T. Beale,.....	J. Anthony,.....	105,000
Charleston,....	Bank of Virginia,.....	James C. Macfarland,...	Samuel Hannah,.....	150,000
Charlestown,..	Bank of the Valley,.....	Thomas Greggs,.....	Cato Moore,.....	190,000
Charlottesville,	Farmers' Bank of Va ,..	John R. Jones,.....	William A. Bibb,.....	104,000
Clarkesville,...	Exchange Bank of Va.,.	Francis W. Venable,...	Augustus C. Finley,....	200,000
Danville,.....	Bank of Virginia,.....	Thomas P. Atkinson,...	C. B. Taliaferro,.....	50,000
"	Farmers' Bank of Va.,..	Nathaniel T. Greene,...	George W. Johnson,....	120,000
Farmville,.....	do. do. do.	William C. Flournoy,..	Archibald Vaughan,....	150,000
Fredericksburg	do. do. do.	John H. Wallace,.....	Arthur Goodwin,.....	260,000
"	Bank of Virginia,.....	Hugh Mercer,.....	William K. Gordon,....	290,000
Leesburg,.....	Bank of the Valley,.....	John Janney,.....	William A. Powell,.....	180,000
Lynchburg,....	Bank of Virginia,.....	C. Dabney,.....	John M. Otey,.....	300,000
"	Farmers' Bank of Va.,..	William Radford,.....	Alexander Tompkins,...	300,000
Morgantown,..	Merchants & Mechanics'	Matthew Gay,.....	William Wagner,.....	75,000
Norfolk,.....	Bank of Virginia,.....	Aaron Milhado,.....	Robert W Bowden,....	200,000
"	Exchange Bank of Va.,.	William W. Sharp,.....	Wright Southgate,.....	501,000
"	Farmers' Bank of Va.,..	N. C. Whitehead,.....	R. H. Chamberlain,....	290,000
Parkersburg,...	North Western Bank,..	James M. Stephenson, .	Beverly Smith,.....	100,000
Petersburg,....	Bank of Virginia,.....	Joseph Bragg,.....	George W. Steinbach,..	400,000
"	Exchange Bank of Va.,.	Thomas S. Gholson,....	Patrick Durkin,.....	500 000
"	Farmers' Bank of Va.,..	William Robertson,....	Pleasant C. Osborne,...	250,000
Portsmouth,...	Bank of Virginia,.....	John A. Chandler,.....	William H. Wilson,....	225,000
Richmond,....	do. do.	James Caskie,.....	Samuel Marx,.....	810,000
"	Exchange Bank of Va.,.	John C. Hobson,.....	William P. Strother,....	500,000
"	Farmers' Bank of Va ,..	William H. McFarland,.	John G Blair,.....	800,000
Romney,.....	Bank of the Valley,.....	David Gibson,.....	John McDowell,.....	200,000
Staunton,.....	do. do.	James Crawford,.....	Edwin M. Taylor,.....	100,000
Wheeling,.....	Merchants & Mechanics'	John W. Gill,.....	Sobieski Brady,.....	461,500
"	North Western Bank,..	John C. Campbell,.....	Daniel Lamb,.....	529,600
Wellsburg,....	do. do. do.	Adam Kuhn,.....	Samuel Jacob,.....	118,000
Winchester,...	Bank of the Valley,.....	Thos. Allen Tidball,....	Henry M. Brent,.....	430,000
"	Farmers' Bank of Va.,..	Robert L. Baker,.....	Joseph H. Sherrard,....	250,000
Wytheville,...	do. do. do,	Stephen McGavock, ...	Thomas J. Morrison,...	130,000
	Total 35 *Banks.*	*Circulation* $7,000,000	*Specie* $2,300,000. *Capital*	$9,713,100

NORTH CAROLINA.

Asheville,.....	Bank of Cape Fear,.....		J. F. E. Hardy,.....	150,000
Charlotte,.....	Bank of State N. C.,....	John Irwin,.....	William A. Lucas,.....	125,000
Elizabeth City,.	do. do. do.	William B. Shepard,....	John C. Ehringhaus,....	100,000
Fayetteville,...	do. do. do.	Charles P. Mallett,.....	Ichabod Wetmore,.....	150,000
"	Bank of Cape Fear,.....	Charles T. Haigh,.....	John W. Wright,.....	350,000
"	Bank of Fayetteville,...	John D. Starr,.....	William G. Broadfoot,..	380,000
Milton,.....	Bank of State N. C.,....	Samuel Watkins,.....	William R. Hill,.....	125,000
Morganton,....	do. do. do.	Robert C. Pearson,.....	Isaac T. Avery,.....	100,000
Newbern,.....	do. do. do.	George S. Attmore,. ...	John M. Roberts,.....	150,000
"	Merchants' Bank,.....	Charles Slover,.....	William W. Clark,.....	225,000
Raleigh,.....	Bank of State N. C.,....	George W. Mordecai,...	Charles Dewey,.....	300,000
"	Bank of Cape Fear,.....		William H. Jones,.....	150,000
Salem,.....	do. do. do.		Israel G. Lash,.....	100,000
Salisbury,.....	do. do. do.	M. Chambers,.....	Dolphin A. Davis,.....	175,000
Tarboro,.....	Bank of State N. C.,....	James Weddell,.....	Peter P. Lawrence,.....	150,000
Washington,..	Bank of Cape Fear,.....	John Myers,.....	Benjamin Runyon,.	175,000
Wilmington,..	do. do. do.	Thomas H. Wright,....	Henry R. Savage,.....	400,000
"	Bank of State N. C.,....	Edward P. Hall,.....	William E. Anderson,..	300,000
"	Commercial Bank,.....	Oscar G. Parsley,.....	Timothy Savage,.....	200,000
	Total 19 *Banks.*	*Circulation* $3,500,000.	*Specie* $1,000,000. *Capital*	$3,650,000

SOUTH CAROLINA.

Camden,.....	Bank of Camden,.....	William E. Johnson,...	William J. Grant,.....	377,600
"	Bank of State of S. C.,..	Thomas Salmond,.....	D. L. Desaussure.....	
Charleston,...	do. do. do.	Charles M. Furman,....	Thomas R. Waring,....	1,123,358
"	Bank of Charleston,....	Arthur G. Rose,.....	Robert L. Stewart,.....	3,1 0,860
"	Bank of South Carolina.	William Birnie,.....	George B Reed,.....	1,000,000
"	Plant'rs & Mechanics' B.	Daniel Ravenel,.....	Samuel T. Robinson,...	1,000,000
"	South West'rn R. R., Bk	James Rose,.....	James G. Holmes,.....	869,425
"	State Bank,.....	Edw rd Sebring,.....	Henry Trescott,.....	1,000,000
"	Union Bank of S. C ,...	Henry Ravenel,.....	Aaron C. Smith,.....	1,000,000
Columbia,.....	Bank of State of S. C.,.	Robert H. Goodwyn,....	John Fisher,.....	
"	Commercial Bank,.....	John A. Crawford,.....	Benjamin D. Boyd,.....	600,000
Cheraw,.....	Merchants' Bank,.....	James Wright,.....	William Godfrey,.....	400,000
Georgetown,..	Bank of Georgetown,..	Donald L. McKay,.....	James G. Henning,.....	200,000
Hamburg,.....	Bank of Hamburg,.....	Hiram Hutcheson,.....	John J. Blackwood,.....	500,000
	Total 14 *Banks.*	*Circulation* $6,000,000.	*Sp'cie* $2,200,000. *Capit'l*	$ 11,431,183

ALABAMA.

Mobile,.....	Bank of Mobile,.....	William R. Hallett,....	Thomas M. English,....	1,500,000
"	Southern Bank of Ala.,.	H. A. Schroeder,.....	Daniel C. Sampson,....	500,000

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GEORGIA.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Augusta,.....	Augusta Ins. & Bk. Co.,	William D'Antignac,...	Robert Walton,.....	375,000
"	Bank of Augusta,.....	Robert F. Poe,.....	James W. Davies,.....	724,900
"	Bank of Brunswick,....	Edward Thomas,.....	John Craig,.....	300,000
"	Bank of State of Geo.,..	George M. Newton,....	James Henry,.....	450,000
"	Geo Rail Ro'd & Bk. Co.	John P. King,.....	John W. Wilde,.....	375,000
"	Mechanics' Bank,.....	Thomas S. Metcalf,....	Milo Hatch,.....	500,000
Athens.....	Bank of State of Geo ,..	Stevens Thomas,.....	Asbury Hull,.....	100,000
Columbus,....	Bank of St. Marys,.....	John G. Winter,.....	George W. Winter,....	134,375
Eatonton,.....	Bank of State of Geo.,..	Henry Branham,.....	D. R. Adams,.....	100,000
Griffin,.....	do. do. do.		M. G. Dobbins,.....	100,000
Macon,.....	do. do. do.		John H. R. Washington,	100,000
"	Marine & Fire Ins. Bk..		James C. Plant,.....	
Savannah,.....	Bank of State of Geo..	Anthony Porter,.....	J. K. Tifft,.....	750,000
"	Commer. R. R. & B. Co.	Robert B. Cuyler,.....	Solomon Cohen,.....	205,790
"	Marine & Fire Ins. Bk.,	Edward Padelford,....	Jonathan Olmstead,....	578,730
"	Planters' Bank,.....	George W. Anderson,..	Hugh W. Mercer,.....	535,400
Washington,..	Bank of State of Geo.,..		A. L. Alexander,.....	100,000
	Total 17 *Banks.*	*Circulation* $1,000,000.	*Specie* $1,600,000. *Capital*	$3,329,215

OHIO.

Akron,.....	*Akron Branch State B.,	William S. C. Otis,....	J. W. McMillen,.....	100,000
Ashtabula,.....	*Farmers' Branch Bank,	O. H. Fitch,.....	Amos F. Hubbard,.....	100,000
Athens,.....	*Athens Branch Bank,..	John Ballard,.....	J. R. Crawford,.....	70,000
Bridgport,.....	*Belmont Branch Bank,	John Warfield,.....	John C. Tallman,.....	100,000
Cadiz,.....	*Harrison County Bank,	Daniel Kilgore,.....	Robert Lyons,.....	100,000
Chilniothe,....	*Chillicothe Branch Bk ,	William H. Douglas,...	Jacob S. Attwood,.....	250,000
"	*Ross County Branch,..	Owen T. Reeves,.....	A. Spencer Nye,.....	150,000
Cincinnati,....	City Bank of Cinc.,....	J. P. Reznor,.....	E. M. Gregory,.....	51,500
"	Commercial Bk. of Cin.,	Jacob Strader,.....	James Hall,.....	50,000
"	*Franklin Bank,.....	John H. Groesbeck,....	Thomas M. Jackson,....	169,000
"	Lafayette Bank,.....	George Carlisle,.....	William G. W. Gano,..	700,000
"	*Mech'nics & Trad'rs' B.	T. W. Bakewell,.....	Stanhope S. Rowe,.....	100,000
"	Ohio Life Ins. & Tr'st Co	Charles Stetson,.....	Samuel P. Bishop,.....	611,236
Circleville,....	Bank of Circleville,....	N. S. Grigg,.....	Henry Lawrence,.....	200,000
Cleveland,....	Canal Bank of C.,.....	J. L. Hewitt,.....	Thomas C. Severance,..	50,000
"	City Bank of C ,.....	George Mygatt,.....	William H. Stanley,....	50,000
"	*Commercial Branch B.,	William A. Otis,.....	Truman P. Handy,.....	175,000
"	*Merchants' Branch Bk.,	Thomas Kelly,.....	Parker Handy,.....	125,000
Columbus,....	City Bk. of Columbus,..	R. W. McCoy,.....	Thomas Moodie,.....	145,530
"	*Exchange Bank,.....	William B. Hubbard,...	Henry M. Hubbard,.....	125,000
"	*Franklin Branch Bank,	Samuel Parsons,.....	James Espy,.....	175,000
"	Clinton Bank,.....	William S Sullivant,...	D. W. Deshler,.....	300,000
Cuyahoga Falls	*Summit County Bank,.	H. A. Miller,.....	L. Bradley,.....	100,000
Dayton,.....	Dayton Bank,.....	John Rench,.....	J. B. Chapman,.....	91,850
"	*Dayton Branch Bank,..		Charles G. Swain,.....	198,010
Delaware,.....	*Delaware County Bk.,.	Hosea Williams,.....	Benjamin Powers,.....	93,484
Eaton,.....	*Preble County Bank,..		John M. Gray,.....	100,000
Elyria,.....	*Lorain Bank,.....	Elijah Dewitt,.....	John R. Finn,.....	75,385
Lancaster,'....	*Hocking Valley Bank,.	Darius Tallmadge,.....	M. A. Dougherty,.....	100,000
Mansfield,.....	*Farmers' Bank,.....	James Purdy,.....	John M. Rhodes,.....	82,980
Marietta,.....	*Marietta Branch Bank,	John Mills,.....	Noah L. Wilson,.....	100,000
Masillon,.....	Bank of Massillon,.....	Charles K. Skinner,....	S. Hunt,.....	200,000
"	*Union Bank,.....	M. D. Wellman,.....	Lewis Hurxthal, Jr.,...	150,000
Mount Pleasant	*Mt. Pleasant Bank,....	James Gill,.....	Jonathan Binns,.....	100,000
Mount Vernon,	*Knox County Bank,...	Henry B. Curtis,.....	John C. Ramsey,.....	100,000
Norwalk,.....	*Norwalk Branch Bank,		John Gardiner,.....	120,450
Newark,.....	*Licking County Bank,.	Benjamin Elliot,.....	A. J. Smith,.....	98,600
Painesville,....	Bank of Genuga,.....	Daniel Kerr,.....	S. S. Osborn,.....	40,000
Piqua,.....	*Piqua Branch Bank,...	William Scott,.....	Joseph G. Young,.....	89,107
Portsmouth,...	*Portsmouth Branch B.,	Washington Kinney,...	Eli Kinney,.....	100,000
Ravenna,.....	*Portage County Bank,.	R. E. Campbell,.....	H. Dwight Williams,...	103,000
Ripley,.....	*Farmers' Branch Bk.,..	Thomas McKaig,.....	Daniel P. Evans,.....	100,000
Salem,.....	*Farmers' Branch Bk.,..	J. J. Brooks,.....	John H. Ebbert,.....	100,000
Logan,.....	*Logan Branch Bank,...	Reuben Culver,.....	Samuel P. Officer,.....	71,570
Sandusky,.....	Sandusky City Bank,...	E. Lane,.....	Henry S. Flynt,.....	57,500
Springfield,....	*Mad River Valley Bk.,.		James T. Claypoole,....	100,000
Steubenville,..	*Jefferson Branch Bk.,..	John Andrews,.....	David Moodey,.....	100,000
Tiffin,.....	Seneca County Bank,...	Benjamin Tomb,.....	Silvanus Arnold,.....	30,000
Toledo,.....	*Commercial Bank,.....	Samuel Young,.....	Matthew Johnson,.....	150,000
"	*Toledo Branch Bank,..	T. W. Bradbury,.....	Ezra Bliss,.....	130,500
Troy,.....	*Miami County Bank,..	William Barbee,.....	Joseph Brown,.....	82,709
Warren,.....	Western Reserve Bank,	George Parsons,.....	George Taylor,.....	60,000
Washington,..	*Guernsey Branch Bank,	John McCurdy,.....	William Skinner,.....	60,000
Wooster,.....	*Wayne County Bank,..		E. Quinby, Jr.,.....	150,000
Xenia,.....	*Xenia Branch Bank,...	A. Hivling,.....	John B. Allen,.....	100,000
Zanesville,....	Franklin Bank,.....	Daniel Brush,.....	John Peters,.....	100,000
"	*Muskingum Branch Bk.	William Tallant,.....	H. J. Jewett,.....	97,670
	Total 57 *Banks.*	*Circulation* $10,366,000.	*Specie* $2,750,000. *Capital*	$7,425,171

*Branches of the State Bank of Ohio.

FLORIDA.

Tallahassee,...	Bank of Tallahassee,...			

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INDIANA.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Indianapolis,..	State Bank of Indiana,..	James Morrison,.....	James M. Ray,.....	
"	do. do. Branch,....	Calvin Fletcher,.....	Thomas H. Sharpe,.....	219,936
Bedford,.....	do. do. do.	John Vestall,.....	Isaac Rector,.....	91,762
Evansville,....	do. do. do.	John Mitchell,.....	John Douglas,.....	151,866
Fort Wayne,..	do. do. do.	Allen Hamilton,.....	Hugh McCulloch,.....	145,705
Lafayette,.....	do. do. do.	Joseph S. Hanna,.....	Cyrus Ball,.....	157,750
Lawrenceburg,	do. do. do.	Elzey G. Burkham,.....	Henry K. Hobbs,.....	215,000
Madison,.....	do. do. do.	James E. D'Lanier,....	Joseph M. Moore,.....	212,550
Michigan City,.	do. do. do.	Edmund D. Taylor,....	Edmund B. Woodson,..	120,000
New Albany,..	do. do. do.	James R. Shields,.....	Victor A. Pepin,.....	163,850
Richmond,.....	do. do. do.	Albert C. Blanchard,...	Elijah Coffin,.....	107,000
South Bend,...	do. do. do.	Samuel C. Sample,.....	Horatio Chapin,.....	102,341
Terre Haute,..	do. do. do.	D. Deming,.....	Joseph S. Jenckes,.....	157,900
Vincennes,....	do. do. do.	William Burch,.....	John Ross,.....	147,250
	Total 14 *Banks.*	*Circulation* $3,300,800.	*Specie* $1,280,000. *Capital*	$2,082,910

KENTUCKY.

Louisville,.....	Bank of Kentucky,.....	Virgil McKnight,.....	S. H. Bullen,.....	1,480,000
Bowling Green,	do. do. Branch,	John H. Graham,.....	Richard Curd,.....	175,000
Danville,.....	do. do. do.	William Craig,.....	Thomas Mitchell,.....	220,000
Frankfort,.....	do. do. do.	Thomas N. Lindsey,...	Edmund H. Taylor,.....	350,000
Greensburg,...	do. do. do.	Josiah Brummell.....	William B. Allen,.....	125,000
Hopkinsville,..	do. do. do.	John A. Steele,.....	Reuben Rowland,.....	250,000
Lexington,.....	do. do. do.	John B. Tilford,.....	William S. Waller.....	650,000
Maysville,.....	do. do. do.	Andrew M. January,...	Henry B. Hill,.....	450,000
Louisville,.....	Bank of Louisville,.....	Joshua B. Bowles,....	Alfred Thurston,.....	880,000
Flemingsburg,.	do. do. Branch,	D. K. Stockton,.....	Hiram Powers,.....	100,000
Paducah,.....	do. do. do.	James Campbell,.....	Adam Rankin,.....	100,000
Frankfort,.....	Farm'rs' Bk. of K'ntucky	John H. Hanna,.....	John B. Temple,.....	300,000
Covington,.....	do. do. Branch,	C. A. Withers,.....	Cassius B. Sandford,...	600,000
Henderson,....	do. do. do.	Owen Glass,.....	David Banks,.....	250,000
Maysville,.....	do. do. do.	J. P. Dobyns,.....	James A. Johnson,.....	400,000
Mt. Sterling,...	do. do. do.	Richard Apperson,.....	Thomas C. Barnes,.....	200,000
Princeton,.....	do. do. do.	Francis W. Ury,.....	Caleb B. Henry,.....	300,000
Somerset,.....	do. do. do.	Cyrenius Waite,.....	John G. Lair,.....	100,000
Lexington,.....	Northern Bank of Ky.,..	John Tilford,.....	Matthew T. Scott,.....	880,000
Covington,....	do. do. Branch,	James M. Preston,.....	William Ernst,.....	250,000
Louisville,.....	do. do. do.	William B. Clifton,....	William Richardson,...	600,000
Paris,.....	do. do. do.	John B. Raine,.....	Thomas Kelly,.....	370,000
Richmond,.....	do. do. do.	W. McClanahan,.....	E. L. Shackelford,.....	150,000
Russellville,...	Southern Bk. of Ky.,...	George W. Norton,....	M. B. Morton,.....	400,000
Smithland,.....	do. do. Branch	William Gordon,.....	B. Barner,.....	300,000
Owensboro,...	do. do. do.	J. B. Alexander,.....	J. B. Anderson,.....	300,000
	Total 23 *Banks.*	*Circulation* $6,680,000.	*Specie* $2,680,000. *Capital*	$9,180,000

TENNESSEE.

Knoxville,....	Bank of East Tennessee,	J. W. Paxton,.....	Hugh L. McClung,.....	150,000
Nashville,.....	Bank of Tennessee,....	William Ledbetter,....	S. R. Anderson,.....	1,325,916
Rogersville,....	do. do. Branch,	James Sevier,.....	G. W. Netherland,.....	254,208
Shelbyville,....	do. do. do.	George Davidson,.....	Thomas B. Cannon,....	223,931
Somersville,...	do. do. do.		James Pettit,.....	254,208
Sparta,.....	do. do. do.	J. G. Mitchell,.....	John Warren,.....	223,931
Trenton,.....	do. do. do.		John A. Taliaferro,....	254,208
Nashville,.....	Planters' Bank of Tenn.,	M. Watson,.....	Nicholas Hobson.....	2,245,500
Athens,.....	do. do. Branch,	James H. Reagan,.....	David Cleage.....	
Clarksville,....	do. do. do.	H. F. Beaumont,.....	William P. Hume,.....	
Franklin,.....	do. do. do.	Samuel Crockett,.....	Thomas Parkes,.....	
Memphis,.....	do. do. do.	Robert C. Brinkley,....	James Penn,.....	
Pulaski,.....	do. do. do.		E. B. Smith,.....	
Nashville,.....	Union Bank of Tenn...	John M. Bass,.....	James Correy,.....	2,617,284
Chattanooga,..	do. do. do.	J. D. Whiteside,.....	E. G. Pearl.....	100,000
Columbia,.....	do. do. do.		S. A. Hanner,.....	
Jackson,.....	do. do. do.		E. W. Stephens,.....	
Knoxville,.....	do. do. do.		H. A. M. White,.....	
Memphis,.....	do. do. do.	John Pope,.....	Fred. W. Smith,.....	
Lawrenceburg,	Lawrenceburg B. of Ten	Daniel Bentley,.....	G. F. Simonton,.....	100,000
Athens,.....	Bank of Tennessee,....		F. M. Campbell,.....	249,150
Clarksville,....	do. do.	William B. Munford,...	David N. Kennedy,.....	223,931
Columbia,.....	do. do.	John B. Groves,.....	F. G. Roche,.....	190'130
	Total 23 *Banks.*	*Circulation* $4,000,000.	*Specie* $1,500,000. *Capital*	$8,315,197

DISTRICT OF COLUMBIA.

Georgetown,..	Farmers & Mechanics'..	Robert Read,.....	W. T. Lang,.....	300,000
Washington,..	Bank of Washington,..	William Gunton,.....	James Adams,.....	279,000
"	Bk. of the Metropolis,..	John W. Maury,.....	Richard Smith,.....	353,300
"	Patriotic Bank,.....	Gotlieb C. Grammer,...	Chauncey Bestor,.....	250,000
	Total 4 *Banks.*	*Circulation* $900,000.	*Specie* $300,000. *Capital*	$1,182,300

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DELAWARE.

Location.	*Name of Bank.*	*President.*	*Cashier.*	*Capital.*
Delaware City,	Delaware City Bank,...	G. Maxwell,.....	John P. King.....	50,000
Dover,.....	Farmers' Bank of Del...	Henry M. Ridgely, ...	John Manlove,.....	186,000
Georgetown,..	do. do. Branch	James Anderson,.....	Isaac Tunnell,.....	120,000
Newcastle,....	do. do. do.	Andrew C. Gray,.....	Howell J. Terry,.....	185,000
Smyrna,.....	Bank of Smyrna,.....	Jacob Stout,.....	Ayres Stockley,.....	100,000
Wilmington,..	Farmers' Bank, Branch,	David C. Wilson,.....	Robert D. Hicks,.....	246,000
"	Bank of Delaware.....	Henry Latimer,.....	Samuel Floyd.....	110,000
"	Union Bank of Del,....	E. W. Gilpin,.....	William P. Bolson,...	300,000
"	Wilming. & Br'ndywine	George Bush,.....	George W. Sparks,.....	200,000
	Total 9 Banks.	*Circulation* $900,000.	*Specie* $250,000. *Capital*	$1,440,000

MISSOURI.

St. Louis,.....	Bank of the State Mo....	James M. Hughes,.....	Henry Shurlds,.....	605,751
Fayette,.....	do. do. do. Branch	John J. Lowry,.....	William C. Boon,.....	121,000
Jackson,.....	do. do. do. do.	A. H. Brevard,.....	Thomas B. English,....	121,000
Lexington,.....	do. do. do. do.	Lewis Green,.....	Edward M. Ryland,....	121,000
Palmyra,.....	do. do. do. do.	William Blakey,.....	Samuel D. South	121,000
Springfield,....	do. do. do. do.	William H. Graves,....	James R. Danforth,....	121,000
	Total 6 Banks.	*Circulation* $2,600,000.	*Specie* $1,900,000. *Capital*	$1,208,751

MICHIGAN.

Detroit,.....	Michigan Insurance Co.	John Owen,.....	Henry K. Sanger,.....	112,000
"	Michigan State Bank,...	Charles C. Trowbridge,	Alexander H. Adams,...	150,000
"	Peninsular Bank,.....	Charles Howard.....	Henry H. Brown,.....	100,000
"	Farmers & Mechanics'.	Charles Seymour,.....	Elisha C. Litchfield,....	400,000
Niles,.....	do. do. Br'nch		R. C. Paine,.....	
St. Josephs,...	do. do. do.			
	Total 6 Banks.	*Circulation* $650,000.	*Specie* $110,000. *Capital*	$1,150,000

CITY OF NEW YORK.

50 Wall street.	Amer. Exch. Bank,.....	David Leavitt,.....	Charles A. Meigs,.....	1,500,000
46 " "	Bank of America.....	George Newbold,.....	James Punnett,.....	2,001,000
32 " "	Bank of Commerce,....	John A. Stevens,.....	George Curtis,.....	4,300,000
48 " "	Bank of New York,...	John Anthont,.....	Anthony P. Halsey,....	1,000,000
30 " "	Bk. of the State of N. Y.	Cornelius W. Lawrence,	Reuben Withers,.....	2,000,000
Wall Street,...	Bank of the Metropolis,	James McCall,.....		2,000,000
Merch'ts Exch.	Bank of the Republic,..	G. B. Lamar,.....	Henry F. Vail,.....	1,000,000
Wall Street,...	Bank of North America	John T. Fisk,.....	J. Seymour,.....	1,000,000
153 Bowery,...	Bowery Bank,.....	Enoch Dean,.....	Nath. G. Bradford,....	350,000
336 Broadway,.	Broadway Bank,.....	Francis A. Palmer,....	John L. Everitt,.....	200,000
124 Bowery,...	Butchers & Drovers',..	Jacob Ams,.....	Benedict Lewis, Jr.,....	500,000
Chat. & Duane,	Chatham Bank,.....	Elias G. Drake,.....	Aaron B. Hays,.....	300,000
270 Broadway,.	Chemical Bank,.....	John Q. Jones,.....	John B. Desdoity,.....	300,000
52 Wall,.....	City Bank,.....	Gorham A. Worth,.....	Robert Strong,.....	750,000
37 Fulton,....	Fulton Bank,.....	John Adams,.....	William J Lane,.....	600,000
40. Hudson,...	Greenwich Bank,.....	Benj. F. Wheelwright,.	William Hawes,.....	200,000
Hanover Squ're	Hanover Bank,.....	Isaac Otis,.....	Chas M. Livingston,...	600,000
Greenwich St..	Irving Bank,.....	Edgar H. Laing,.....	John Thompson,.....	500,000
45 William,...	Leather Manufacturers',	Fanning C. Tucker,....	Ebenezer Platt,.....	250,000
40 Wall,.....	Manhattan Company,..	Charles O. Halsted,....	James M. Morrison,....	2,000,000
33 "	Mechanics' Bank,.....	Shepherd Knapp,.....	Francis W. Edmonds,..	1,140,000
38 "	Mechan. Bank'g Asso,..	Frederick Pentz,.....	John H. Cornell,.....	632,000
398 Grand,.....	Mechanics & Traders'..	John Clapp,.....	Ephraim D. Brown,.....	200,000
172 Broadway,.	Mercantile Bank,.....	William B. Douglas,...	Jonathan C. Bell,.....	500,000
42 Wall,.....	Merchants' Bank,.....	John J. Palmer,.....	Oswald J. Cammann,....	1,500,000
173 Greenwich,.	Merchants' Exch'g Bk,..	James Van Nostrand,..	William H. Johnson,...	1,200,000
35 Wall,.....	National Bank,.....	James Gallatin,.....	Frederick Bobbs,.....	750,000
Avenue D.,....	N. Y. Dry Dock Bank,..	George Law,.....	David Palmer,.....	200,000
175 Greenwich,	North River Bank,.....	Charles Denison,.....	Samuel B. White,.....	650,000
152 "	Ocean Bank,.....	Randolph Martin,.....	James S. Gibbons,.....	750,000
173 Canal street	People's Bank,.....	John P. Yelverton,....	G. DeAngelis,.....	1,200,000
Broadway,....	Pacific Bank,.....	William Tilden,.....	J. Campbell,.....	400,000
45 Wall,.....	Phenix Bank,.....	Thomas Tileston,.....	Peter M. Bryson,.....	200,000
231 Fulton,....	Seventh Ward Bank,...	John W Lawrence,....	Alfred S Frazer,.....	500,000
177 Chatham,..	Tradesmen's Bank,.....	William H. Falls,.....	Richard Berry,.....	400,000
31 Wall,.....	Union Bank,.....	Frederick Deming,.....	Daniel Ebbets,.....	1,000,000
	Total 33 Banks.	*Circulation* $5,400,000.	*Coin* $10,710,000. *Cap'l'l*	$33,090,000

LOUISIANA.

New Orleans,.	Bank of Louisiana,.....	Wm. W. Montgomery,.	Robert M. Davis,.....	3,992,200
" "	Louisiana State Bank,..	Samuel J. Peters,.....	Richard Relf,.....	1,734,820
" "	Mechanics & Traders',.	U. H. Dudley, ...	Gustavus Cruzat,.....	1,704,350
" "	N. O. Can'l & Bank. Co.	Rob'rt W. Montgomery,	Samuel C. Bell,.....	3,163,750
" "	Union Bank of La,.....	Charles A. Jacobs,.....	F. Frey,.....	2,672,000
	Total 5 Banks.	*Circulation* $4,200,000.	*Coin* $7,300,000. *Capit'l*	$13,267,120

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. APRIL, 1851. No. X.

THE USURY LAWS OF THE STATES.

WE have endeavored to furnish, in the following pages, an authentic summary of the laws of each State under the following heads, viz. : —

I. The Legal Rates of Interest. II. The Rate (if any) allowed on Special Contracts. III. Penalties for Violation of the Usury Laws. IV. Damages on Inland Bills of Exchange. V. Damages on Foreign Bills of Exchange. VI. Grace on Sight Bills, Drafts, and Checks.

The information has been derived from such persons, in each State, as were presumed to be familiar with the statutes now in force upon these important topics. It will be observed that important changes, in reference to these laws, have lately taken place in Pennsylvania, Wisconsin, and in some few other States. The following is the order in which the States are arranged in our present article : —

1. Maine,	11. Maryland,	21. Iowa,
2. New Hampshire,	12. Virginia,	22. Kentucky,
3. Vermont,	13. North Carolina,	23. Louisiana,
4. Massachusetts,	14. South Carolina,	24. Michigan,
5. Rhode Island,	15. Georgia,	25. Mississippi,
6. Connecticut,	16. Alabama,	26. Missouri,
7. New York,	17. Arkansas,	27. Ohio,
8. New Jersey,	18. Florida,	28. Tennessee,
9. Pennsylvania,	19. Illinois,	29. Texas,
10. Delaware,	20. Indiana,	30. Wisconsin.

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I. Maine.

I. *Interest.* — The legal rate of interest in Maine is six per cent., and no higher rate is allowed on special contracts. R. S. 317.

II. *Penalty for Violation of the Usury Laws.* — Excess of interest not recoverable, nor costs where excess of interest has been taken; but the defendant may recover costs of the party taking the excess. Excess of interest may be recovered back by the party having paid it, provided the action is commenced within a year from the transaction. R. S. 317.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Maine, payable in other States, and returned under protest, are as follows (R. S. 510): —

1. New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, ... 3 per cent.
2. New Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia, South Carolina, Georgia, ... 6 per cent.
3. North Carolina, Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Ohio, Tennessee, Texas, Wisconsin, ... 9 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are, ... 10 per cent.

V. *Sight Bills.* — Grace is allowed on bills, drafts, checks, &c., payable *at sight*, but not on those payable on demand. R. S. 264.

Decisions.

The legislature of a State may constitutionally impose a tax on the capital stock, &c., of a bank previously incorporated by it, unless the right has been expressly relinquished. Portland Bank *v.* Apthorp, 12 Mass. 252; Providence Bank *v.* Billings, 4 Pet. 514; Judson *v.* State, Minor, 150.

When the interest on a note is payable annually, so much as has accrued more than six years before the commencement of an action thereon, will be barred by the statute of limitations if the note be not witnessed, though the note, being payable on time, be recoverable, with the interest which has become due within six years. 5 Green. R 81.

The law does not authorize the recovery of interest upon interest, though a promissory note is made payable with interest annually (7 Green. R. 48); but the taking compound interest is not usury. 1 Fairfield's R. 315.

A creditor who usually sells upon six months' credit, with interest afterwards, can recover interest only on proof of an agreement to pay it, or of a demand of payment. 22 Me. R. 116.

It is not essential to the validity of a bill of exchange that it should be payable to order, or bearer, or at any particular time or place; nor that it should have the words *value received*. 15 Me. R. 131.

A bill of exchange drawn by a person residing in one State of the Union upon a person residing in another, and payable there, is a foreign bill (15 Me. R. 136; 18 ib. 292); so are all bills payable out of the State. 20 Me. R. 139.

A bill of exchange drawn by one upon himself is to be regarded as accepted. 12 Fair. R. 466.

A notice left in the office and usual place of business of the indorser of a bill, with a person in charge of the office, is sufficient. 15 Me. R. 270.

A promissory note made on the Lord's day, given and received as the consideration for articles purchased on that day, is void. 26 Me. R. 464.

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II. New Hampshire.

I. *Interest.* — The legal rate of interest in New Hampshire is six per cent., and no more is allowed on contracts direct or indirect.

II. *Penalty for Violation of the Usury Laws.* — The person receiving interest at a higher than the legal rate, shall forfeit for every such offence three times the sum so received.

III. *Damages on Bills.* — No statute in force in New Hampshire.

IV. *Foreign Bills.* — No statute in force in New Hampshire allowing damages on foreign bills returned under protest.

V. *Sight Bills.* — No bill of exchange, negotiable promissory note, order, or draft, except such as are payable *on demand*, shall be payable until days of grace have been allowed thereon, unless it appear in the instrument that it was the intention of the parties that days of grace should not be allowed. Revised St. 389, § 10.

Decisions.

A protest by a notary at the place of payment, duly authenticated, is the regular evidence of the dishonor of a foreign bill; but a protest is not competent evidence of the dishonor of an inland bill of exchange. 9 N. H. R. 558.

The dishonor of a promissory note need not be proved by a protest, even if the maker and indorser reside in different governments. 10 N. H. R. 526.

Interest. — Any interest on money lent was, at common law, unlawful; but that doctrine has never been adopted here, and no rate of interest is unlawful here at common law unless so great as to be unconscionable. 2 N. H. R. 42.

When a promissory note has been paid and discharged, it ceases to be negotiable. 2 N. H. R. 212; 5 ib. 63. The principle of the case in 2 N. H. R. 212 is to be restrained to cases where the party to the bill or note is prejudiced by a subsequent transfer. 7 N. H. R. 202. But the note ceases to be negotiable, except against those by whom a new indorsement has been made, and those who are bound to pay at all events. Ibid.

A promissory note imports a consideration until the contrary appears (6 N. H. R. 511); and the acknowledgement of value received in a note not negotiable is *primâ facie* evidence of a consideration. 5 N. H. R. 315.

The time when a note payable on demand will be considered as dishonored depends on the circumstances of the case; but in general it will be considered so in ten months from its date (5 N. H. R. 159); and a note indorsed four months and twenty-two days from its date was treated as dishonored. 6 N. H. R. 369.

Although a note be payable at a particular time and place, no demand is necessary at the time and place. 3 N. H. R. 333; 10 ib. 433.

The want of a demand upon the maker may be excused by evidence of a diligent inquiry for him without success. 3 N. H. R. 346.

A note payable on demand, with interest after sixty days, is payable on demand, and the words "after sixty days" refer only to the interest. 5 N. H. R. 99.

A note payable on contingency may be declared upon as a note strictly negotiable. 5 N. H. R. 315; 10 ib. 447.

A contract for the delivery of specific articles cannot be declared on as a bill. 3 N. H. R. 299. See also 5 ib. 316; 10 ib. 447.

Bills drawn upon inhabitants of other States are foreign bills. 9 N. H. R. 558.

A negotiable promissory note will not be a discharge of a pre-existing debt, unless there be an express agreement to receive it as such in payment. 10 N. H. R. 505.

If the holder of a note receive an acceptance, to be collected and applied in payment, he must exercise reasonable diligence in the collection; and if he do not, his debt will be discharged. 8 N. H. R. 66.

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III. Vermont.

I. *Interest.* — The legal rate of interest in Vermont is six per cent., and no higher rate of interest is allowed on special contracts, except upon railroad notes or bonds, which may bear seven per cent.

II. *Penalty for Violation of the Usury Laws.* — The excess of interest received beyond six per cent. may be recovered by action of assumpsit.

III. *Damages on Bills of Exchange.* — There is no statute in force in Vermont in reference to damages on protested bills of exchange.

IV. *Foreign Bills.* — There is no statute in force in Vermont in reference to damages on protested foreign bills of exchange.

V. *Sight Bills.* — Grace is not allowed on bills, drafts, checks, &c., payable at sight. R. S. xxiii. § 1, *annexed.*

Revised Statutes. Chap. 73.

Section I. All bills of exchange, drafts, and promissory notes, executed in any other State, and payable in this State, and all such bills, drafts, and notes, executed in this State, and payable in any other State, shall be entitled to the usual mercantile privilege of three days' grace.

Section II. The provisions of the foregoing section shall not extend to any contract payable on demand, or in any way but in money.

Section III. Whenever any bill or note, or other contract, not subject to grace, shall fall due on the Sabbath, the same shall, for every purpose, be taken and considered as due on the Monday next following.

No. XXIII. *An Act relating to the Time of Payment of Bills of Exchange, Drafts, Checks, and Notes. Approved November* 6, 1850. *Took effect January* 1, 1851.

Section I. The provisions of the first section of the seventy-third chapter of the Revised Statutes shall not extend to any contract, made after this act shall take effect, payable at sight.

Section II. The following days, to wit, the first day of January, commonly called New Year's Day; the fourth day of July; the twenty-fifth day of December, commonly called Christmas; and any day appointed or recommended by the Governor of this State, or by the President of the United States, as a day of fast or thanksgiving, shall for all purposes whatsoever, in regard to the presenting for acceptance, or payment, and to the protesting and giving notice of the dishonor of bills of exchange, drafts, checks, and promissory notes, made after this act shall take effect, be treated and considered as is the first day of the week, commonly called Sunday.

Section III. Whenever any bill or note or other contract not subject to grace, made after this act shall take effect, shall fall due on either of the days designated by the second section of this act, the same shall for every purpose be taken and considered as due on the first day next following, which shall not be Sunday, or one of the days designated as aforesaid.

Decisions.

A note under seal becomes a specialty, and no action can be maintained upon it in the name of an indorsee. 1 D. Ch. 244.

A promissory note, given and received in payment of an antecedent account, is a bar to an action on that account, whether the note be paid or not, if there be no fraud or deception in giving the note. 4 Vt. 549.

Usury. — A *bonâ fide* debt, or demand, contracted upon a legal consideration, is not destroyed by being mingled with an usurious transaction, or being made in whole or in part the consideration of an usurious contract. 6 Vt. 551.

The insolvency of the maker will not excuse the indorsee from giving notice to the indorser. 2 Aik. 9.

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IV. Massachusetts.

I. *Interest.* — The legal rate of interest in Massachusetts is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — No contract for the payment of money with interest greater than six per cent. shall be void; but in an action on such contract the defendant shall recover his full costs, and the plaintiff shall forfeit threefold the amount of the whole interest reserved or taken.

III. *Damages on Bills of Exchange.* — The damages on bills of exchange negotiated in Massachusetts, payable in other States, and returned under protest, are as follows: —

1. Bills payable in Maine, New Hampshire, Vermont, Rhode Island, Connecticut, or New York, ... 2 per cent.
2. Bills payable in New Jersey, Pennsylvania, Maryland, or Delaware, ... 3 per cent.
3. Bills payable in Virginia, District of Columbia, North Carolina, South Carolina, or Georgia, ... 4 per cent.
4. Bills payable elsewhere within the United States or the Territories, ... 5 per cent.
5. Bills for one hundred dollars or more, payable at any place in Massachusetts, not within seventy-five miles of the place where drawn, ... 1 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are as follows: —

1. Bills payable beyond the limits of the United States (excepting places in Africa beyond the Cape of Good Hope, and places in Asia and the islands thereof) shall pay the current rate of exchange when due, and five per cent. additional.
2. Bills payable at any place in Africa beyond the Cape of Good Hope, or any place in Asia or the islands thereof, shall pay damages, 20 per cent.

V. *Sight Bills.* — Bills of exchange, drafts, &c., payable *at sight* or at a future day certain, within this State, are entitled to three days' grace. But not bills, notes, drafts, &c., payable *on demand.*

VI. *Notes on Demand.* — In order to charge an indorser, payment must be demanded within sixty days from its date, without grace, on any note payable *on demand.*

Decisions and Statute.

Interest is to be computed at the rate established by the law of the place where the debt of which it is an incident is contracted and is to be paid. 9 Metcalf, 210.

Money lent without any stipulation for interest does not necessarily draw interest until neglect or refusal of payment, after demand made, or some other default of the borrower. *Ibid.*, 124.

Whenever any bank shall charge or receive more than six per cent. per annum, and the existing rate of exchange, the Bank Commissioners, upon information, shall report such fact to the Treasurer, who shall forthwith prosecute said bank. — 1840.

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V. Rhode Island.

I. *Interest.* — The legal rate of interest in Rhode Island is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the excess taken above six per cent.

III. *Damages on Bills.* — The damages on bills of exchange, payable in other States and returned under protest, are uniformly . 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills.* — There is no statute in Rhode Island upon this subject. The banks do not allow grace on bills, drafts, checks, &c., payable at sight.

Remarks.

If any action shall be brought upon any bond, mortgage, specialty, agreement, contract, promise, or assurance whatever, which *shall be made within this State*, and the defendant shall allege by special plea, that a higher or greater interest than the rate aforesaid was taken, or was therein or thereby secured or agreed for, the court shall and may admit the defendant as a legal witness, upon the issue joined, and also, on motion of the plaintiff, admit such plaintiff as a legal witness in like manner; and if on the whole evidence such agreement shall be found usurious, the plaintiff shall have judgment for the principal sum of money, or real value of the goods, wares, or other commodity, with legal interest thereon, with costs. "Provided always that nothing in this act shall extend to the letting of cattle, or other usages of the like nature in practice among farmers, or to maritime contracts among merchants, as bottomry, insurance, or course of exchange, as hath been heretofore accustomed."

In an action for usury the defendant may be admitted as a legal witness, upon issue joined in such action or suit, to testify relative to the nature and circumstances of such agreement, and on motion of the plaintiff the court shall also admit him in like manner. Public Laws of R. I. 286.

If any bank, or any officer of any bank, or other person in behalf thereof, shall, directly or indirectly, knowingly demand or receive from the maker, indorser, or holder of any promissory note or bill of exchange, or obligation of any description, for the payment of money at a future day, upon the discount thereof, by or on account of such bank, any greater interest or discount, under any form or pretence whatever, than at the rate of six per cent. per annum, the officer or other person knowingly demanding or receiving in behalf of such bank such excessive interest or discount shall forfeit and pay for each offence the sum of five hundred dollars, to and for the use of the State; to be recovered by action of debt in the name of the general treasurer before any court proper to try the same; provided, however, that it shall not be construed to be any violation hereof to demand or receive interest or discount for periods less than one year, at the rate of six per cent. for three hundred and sixty days; provided, further, that nothing in this act shall prohibit any bank from demanding or receiving the existing rate of exchange on drafts, bills of exchange, or promissory notes, payable at other places than the town wherein the bank discounting the same shall be located. Ib. 293.

Damages. — It shall be lawful for any person having a right to demand any sum of money upon a foreign protested bill of exchange as aforesaid, to commence and prosecute an action for principal, damages, interest, and charges of protest against the drawers or indorsers, jointly or severally, or against either of them separately; and judgment shall and may be given for such principal, damages, and charges, and interest upon such principal after the rate aforesaid, to the time of such judgment, together with costs of suit. R. S. p. 287.

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VI. Connecticut.

I. *Interest.* — The legal rate of interest in Connecticut is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest received. In suits on usurious contracts, judgment is to be rendered for the amount lent, without interest.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Connecticut, payable in other States, and returned under protest, are as follows: —

1. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York (interior), New Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia, ... 3 per cent.
2. New York City, ... 2 per cent.
3. North Carolina, South Carolina, Georgia, and Ohio, . 5 per cent.
4. All the other States and Territories, ... 8 per cent.

IV. *Foreign Bills.* — There is no statute in force in Connecticut in reference to damages on foreign bills of exchange.

V. *Sight Bills.* — Grace is not allowed by statute or usage on checks, bills, &c., payable *at sight*.

Decisions.

Bills of Exchange and Promissory Notes. — Bills or notes, to be negotiable, must be drawn payable to the payee or order, or bearer, or to the order of the payee.

By statute, notes to be negotiable must be for the payment of thirty-five dollars or upwards.

A bill or note payable to a man's own order is payable to himself if he did not order it paid to any other. Hosmer, Ch. J., 4 Conn. R. 247.

A parol acceptance is sufficient; and this may be express or implied. Baldwin, J., 5 Day, 515.

As between the original parties to a bill of exchange, the want of a consideration, total or partial, may be shown, and though a subsequent holder, *bonâ fide*, and for value paid, shall not be affected by a want of consideration between the prior parties, yet if he received the bill without consideration, he is in privity with the first holder, and the want of consideration is equally provable and available against him. 6 Conn. R. 521.

If a partner of a firm draw a bill in his own name upon the firm of which he is a member, for the use of the partnership concern, it is in contemplation of law an acceptance of the bill by the drawer in behalf of the firm; and the holder of the bill may sustain an action thereon against the firm as for a bill accepted. 5 Day, 511.

An agreement to pay interest upon interest, which has become due, is not usurious. 11 Conn. R. 487.

A parol promise to pay more than lawful interest, made at the giving of a note, and to induce the creditor to take it, and which is part and parcel of the contract, will make the note usurious and void. 2 Root, 37.

Where an instrument contaminated with usury is taken up, and a new one substituted by the parties to secure to the creditor the original debt, the substituted as well as the original security is usurious and void. 5 Conn. R. 154. And it makes no difference whether the party in whose name the substituted security is given was privy to, or ignorant of, the original corrupt agreement. Ibid.

No person other than the oppressed party to an usurious contract can avoid such contract on the ground of usury. 1 Conn. R. 409.

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VII. New York.

I. *Interest.* — The legal rate of interest in New York is SEVEN per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the contract in civil actions. In criminal actions, a fine not exceeding one thousand dollars; or imprisonment not exceeding six months; or both.

III. *Damages on Bills.* — The damages on bills of exchange, negotiated in New York and payable in other States, and returned under protest for NON-ACCEPTANCE or non-payment, are as follows: —

1. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, District of Columbia, and Ohio, ... 3 per cent.
2. North Carolina, South Carolina, Georgia, Kentucky, and Tennessee, ... 5 per cent.
3. Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Louisiana, Mississippi, Missouri, Michigan, Texas, Wisconsin, . . 10 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills.* — Grace is not allowed by the banks of the city of New York and of the interior upon bills, drafts, checks, &c., payable *at sight.*

Decisions.

A promissory note is perfect without date or time of payment (7 Cow. 337); and may be good within the statute, without the words *bearer* or *order* (3 Cai. R. 137); but it can have no legal inception, until delivered, as evidence of a subsisting debt. 20 Johns. R. 288.

A note payable on demand carries no interest till a demand is made by suit or otherwise. 5 Cow. 587.

Interest is not recoverable on interest, unless there has been a special contract to pay it after the interest on which it is to be paid has become payable. 11 Paige, 228; 1 Barbour, 627.

Interest is allowed, — 1. Upon a special agreement; 2. Upon an implied promise to pay it, arising from the usage between the parties, or of a particular trade; 3. Where money is withheld against the will of the owner; 4. By way of punishment for any illegal conversion or use of another's property; 5. Upon advances of cash. 3 Cow. 436. See also 5 Cow. 587; 14 Johns. R. 255; 12 Johns. R. 156; 3 Cow. 425; 5 ib. 577 – 642.

An action will not lie for interest after the payment of the principal, unless stipulated for in the contract. If the payment is not specially received in extinguishment of the principal, it goes first to cancel the interest, and the remainder may be sued for as principal. 13 Wend. 639; 3 Johns. R. 229; 3 Cow. 331.

A bank, limited by law to six per cent. upon all discounts, can recover at the rate of seven from the time the debt becomes due. 9 Wend. 471.

Interest is to be calculated according to the law of the place where the contract was to be executed. 2 Johns. R. 235.

Bills. — A bank is bound to take its own bills or notes in payment of debts. 9 Johns. R. 409.

A bill drawn in the United States, or on any part of the United States, is an inland bill. 5 Johns. R. 375. But a bill of exchange drawn in one State, on persons living in another, is to be treated as a foreign, not an inland bill (15 Wend. 527); and a bank check is substantially the same as an inland bill of exchange. 3 Johns. C. R. 5.

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Method of Casting Interest. — The Supreme Court of New York adopt the following rule in casting interest when partial payments have been made, viz. to calculate interest on the principal up to the time when the payment has been made; add this interest to the principal, and then deduct the payment without regard to the time when made, whether before or after the expiration of the year. This rule, however, is to be adopted only in cases where the payment exceeds the interest due; otherwise it will be taking interest upon interest. When the payment falls short of the interest due, interest must be calculated on the principal up to the time when the payments will overrun the interest due on the principal debt; and the deduction then to be made. 3 Cow. 87, note *a*, and cases cited there.

Interest may be recovered by way of damages in an action for non-delivery of goods, for breach of a contract, or for trespass against a sheriff for illegally taking personal property. 3 Wend. 356; 3 Cow. 423.

Compound interest has nothing to do with the question of usury. 1 Wend. 521.

The word "month" used in bills of exchange and promissory notes means a calendar, not a lunar month. 15 Johns. R. 120; 1 Johns. C. 100.

Notes. — A promissory note expressing no time for payment is, in the judgment of law, payable on demand, and draws interest from its date. 15 Wend. 308.

A request to pay the amount of the note written underneath the same is operative as a bill of exchange, and the drawee, after acceptance, is liable to an action. 1 Wend. 522.

The only effect of the post date of a check is, that it is payable on demand, on or after the day on which it purports to bear date (10 Wend. 304); but bank post notes, over due, are not to be regarded as subject to all the rules applicable to ordinary promissory notes, being only assimilated in their character to them. 1 Hall, 562.

Collection Paper. — A bank receiving for collection a bill of exchange, drawn in New York upon a person residing in another State, is liable for any neglect of duty occurring in its collection, whether arising from the default of its officers here, its correspondents abroad, or of agents employed by such correspondents.

This liability may be varied, however, either by *express contract*, or by *implication* arising from *general usage* in respect to such paper. It is competent, therefore, for the bank to show an *express contract*, varying the terms of its liability, or, in the absence of a judicial determination upon the point, to show that, by the usage and custom of the place, a bank thus receiving foreign paper is liable only for its safe transmission to some competent agent, and is not responsible for the acts or omissions of such agent, or of any subordinates employed by him.

The inquiry, however, in such case, is not as to the opinion of merchants, however general, as to the law of the case, but as to the usage and practice in respect to such transactions, or the *general understanding* of merchants as to the nature of the contract evidenced by their acts, so as to enable the court to give the contract a correct interpretation.

Where a debt was lost by the omission of a notary to give notice of the non-acceptance of a bill presented before maturity, IT WAS HELD not to excuse a bank which had received the same for collection, that, by the law merchant of the place where the bill was presented, notice of non-acceptance was deemed unnecessary; but that, on the contrary, as the *lex loci contractus* governed in a case like it, it was the duty of the bank to have given the necessary instruction to its correspondents. The omission to give notice of non-acceptance happening through the default of a *commissioned public officer*, a notary, does not vary the rights of the parties: *pro hac vice*, he acted merely as the agent of his employers, and not in his *official capacity.* — *S. & M. Allen* v. *Merchants' Bank, N. Y. Court of Errors.*

A promise of the drawer of a sight bill to pay the same after its return protested, with an acceptance written upon it, is sufficient evidence of its acceptance in a suit against the drawer. 1 Sandford's Sup. Ct. R. 37.

It is not necessary, in giving notice of the protest of a foreign bill of exchange, to serve a copy of the protest with the notice of the dishonor of the bill. *Ibid.* 416.

Notary Public. — A notarial certificate is evidence of the presentment of a note for payment only where the notary himself made the presentment; and where in his certificate he stated that he had *caused* the note to be presented, it was held not to be evidence of the fact. 4 Denio, 460.

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VIII. New Jersey.

I. *Interest.*— The legal rate of interest in New Jersey is six per cent., and no higher rate of interest is allowable on special contracts.

II. *Penalty for Violation of the Usury Laws.* — The contract is void, and the whole sum is forfeited.

III. *Damages on Bills of Exchange.* — There is no statute in force in reference to damages on bills of exchange.

IV. *Foreign Bills.* — There is likewise no statute in force in reference to damages on protested foreign bills.

V. *Sight Bills.* — Grace is not, either by statute or usage, allowed on bills, drafts, &c., payable at sight.

Decisions.

When there have been partial payments, the interest must be calculated to the time of payment, then deduct the sum paid from the amount, and calculate the interest on the residue to the next payment. 1 Hal. R. 408.

The sale by one person of the note or bond of another, at any rate of discount, is not usurious; but if the note or bond was made for the express purpose of being sold at a greater discount than legal interest, it is usurious and void. A note void for usury when made, is void in the hands of an innocent holder. Chan. Williamson, July Term, 1825.

Where a bank discounts a note, upon condition that the person offering it shall take post notes payable at a distant day as cash, the note is usurious and void. But if part of the usurious note be paid and a new note given for the balance, the new note is good. 2 Hal. 130. A contract to take for a loan of money more than legal interest, though none is actually taken, is usurious and void; but the lender does not subject himself to the penalty of the statute unless he actually receives more than legal interest, and it is immaterial whether the illegal interest is secured by the same instrument as the principal debt, or by another. 3 Hal. 233. And a note antedated for the purpose of securing more than legal interest is usurious and void; but the taking such a note will not destroy the antecedent debt not affected with usury. 3 Gr. 255.

The law of the place where the contract is made determines the rate of interest when the contract specifically gives interest, and this will be the case though the loan be secured by mortgage on lands in another State, unless there be circumstances to show that the parties had in view the law of the latter place in respect to interest. 3 Gr. 328.

Notes. — A promissory note is not negotiable so that an action can be brought on it in the name of an indorser, unless it be payable to order or assigns. 1 Gr. 263. If payable to bearer, it is negotiable or assignable by delivery only, and any *bonâ fide* holder may sue on it in his own name. 1 Gr. 246.

To make the indorser who did not guarantee the payment responsible, payment must be demanded of the maker (or, if payable at a particular place, at that place), on the third day after the day of payment; or, if that is a Sunday, on the second day; and if it is not paid, immediate notice of the demand and non-payment must be given to the indorser. 1 South. 1; 3 Hal. 231.

The demand or notice is usually made by a notary public. If the indorser lives in the same town with the holder of the note, the notice may be given to him personally, or left at his usual place of business, or put into the penny-post; if he lives at a distance, it may be sent by the mail on the day or the next day after the demand; and if put into the post-office on the next day after the demand, that will be sufficient, even though it may never have been received. 7 Hal. 269; 2 Gr. 145. If the residence cannot be ascertained, that will excuse the want of notice. 7 Hal. 268.

It is not necessary for the indorsee, in an action against the maker of the note, to prove that he had any notice of the indorsement. 3 Gr. 153.

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IX. Pennsylvania.

I. *Interest.* — The legal rate of interest in Pennsylvania is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — "Shall forfeit the money and other things lent; one half thereof to the Governor for the support of the government, and the other half to the person who shall sue for the same." (*March*, 1723.)

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Pennsylvania, payable in other States, and returned under protest, are as follows: —

1. Upper and Lower California, New Mexico, and Oregon, 10 per cent.
2. All other States, ... 5 "

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are as follows (*May* 13, 1850): —

1. Payable in China, India, or other parts of Asia, Africa, or islands in the Pacific Ocean, ... 20 per cent.
2. Mexico, Spanish Main, West Indies, or other Atlantic islands, East Coast of South America, Great Britain, or other parts of Europe, ... 10 per cent.
3. West Coast of South America, ... 15 "
4. All other parts of the world, ... 10 "

V. *Sight Bills.* — Grace is not allowed by the banks upon bills, drafts, checks, &c., payable at sight; nor on checks, &c., payable at a specific day mentioned in the body of the check.

The following five sections constitute part of a law passed by the Legislature of Pennsylvania on the 5th of April, 1849, "in reference to Promissory Notes, Counterfeit Indorsements," &c.

Section VII. That from and after the passage of this Act, in all cases where suit is brought in any of the courts of this Commonwealth, upon or for the recovery of the amount due on any promissory note, post note, note of hand, due bill, bill of exchange, draft, order, check, or other instrument of writing in the nature thereof, no plea shall be held to be available, and no defence shall be made or taken by the defendant or defendants, for want of proper and timely demand of payment or acceptance, or proper and timely protest for and notice of non-acceptance or non-payment of the same, unless the respective places where such demand is to be made, and where such notice is to be served or given, or the names and residences or places of business of the respective parties thereto, shall be legibly and distinctly set forth thereon.

Section VIII. That when such places of demand and notice, or such names, residences, or places of business are omitted to be set forth as aforesaid, demand of acceptance, as well as protest for and notice of non-acceptance, may be made and given at any time before maturity of such instrument or instruments as require acceptance; and demand of payment, as well as protest for and notice of non-payment of the same, at any time after maturity thereof, and before suit is brought thereon.

Section IX. That in all such cases of omission as aforesaid, promissory notes, post notes, notes of hand, due bills, and such like instruments, shall be held to be payable and protestable at the place where they are dated, and if they contain no place of date, then at the place where they are deposited or held for collection, and bills of exchange, drafts, orders, checks, or other instruments or securities in the nature thereof, shall be held to be acceptable, payable, and protestable at the place where the same shall or may be addressed to the drawee or drawees.

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Section X. That whenever any value or amount shall be received as a consideration in the sale, assignment, transfer, or negotiation, or in payment of any bill of exchange, draft, check, order, promissory note, or other instrument negotiable within this Commonwealth, by the holder thereof from the indorsee or indorsees, or payer or payers of the same, and the signature or signatures of any person or persons represented to be parties thereto, whether as drawer, acceptor, or indorser, shall have been forged thereon, and such value or amount, by reason thereof, erroneously given or paid, such indorsee or indorsees, as well as such payer or payers respectively, shall be legally entitled to recover back from the person or persons previously holding or negotiating the same, the value or amount so as aforesaid given or paid by such indorsee or indorsees, or payer or payers respectively, to such person or persons, together with lawful interest thereon, from the time that demand shall have been made for repayment of the same.

Section XI. That all bills of exchange, drafts, orders, checks, promissory notes, or other instruments in the form, nature, or similitude thereof, that shall or may hereafter be made or be drawn or indorsed to order within this Commonwealth, upon any person or persons, body politic or corporate, copartnership, firm, or institution of or in, or that shall be made payable in. any other State, Territory, county, or place whatsoever, for any sum or sums of money, with the current rate of exchange in Philadelphia or such other place within this Commonwealth where the same may bear date, or in current funds, or such like qualification superadded, shall be held to be negotiable by indorsement, and recoverable by the indorsee or indorsees in his, her, or their own name or names, in the same manner, to all intents and purposes, as bills of exchange and promissory notes formally drawn and ordinarily in use and negotiable within this Commonwealth, are now by law recoverable therein.

Decisions.

Where more than legal interest is included in any specialty or note, the whole amount cannot be sued for and recovered; but the plaintiff is entitled to a verdict for the just principal and interest. 2 Dallas, 92.

The rule of law is, that interest is allowed on goods sold and delivered, and on all open accounts, where, by the usual course of dealing, or by express agreement, a certain time is fixed for payment; on money lent and advanced; on arrears of rent, unless it would be inferred by the landlord's conduct that he did not mean to insist upon it, or he demands more than is due, or there are other special circumstances which might make the charge of interest improper; and, generally, wherever one person detains the money of another, without any right and against his consent. 6 Binney, 162; 1 Ser. & Raw. 176; 1 Binney, 488; 1 Dallas, 315, 349; 2 ib. 193; 4 ib. 289.

But where a person was ignorant that a sum of money had been paid for his use by the plaintiff, he is not chargeable with interest, but from the time he was informed of the fact. 1 Ser. & Raw. 176.

A dormant partner is liable for interest, upon the receipt of the money, by an acting partner, without his privity or participation. 1 Dallas, 343, 2d edit.

Although interest upon interest is generally unlawful, yet there are cases in which interest is considered as changed into principal, and permitted to carry interest; as where a settlement of accounts takes place after interest has become due, or an agreement is made after interest becomes due, that it shall carry interest. Any agreement for interest upon interest, to be lawful, must be made after the interest has become due; and must be prospective, that the interest then due shall carry interest. An original agreement, that if the interest is not paid at the time it shall be due, it shall carry interest, though it would not amount to usury so as to render the contract connected with it illegal and void, yet the party cannot recover such interest either at law or in equity. 1 Johns. Ch. R. 14; 6 ib. 313. See 4 Yeates, 220; 5 Barn. & Ald. 34; 7 S. & Lowb. 15; 11 Vesey, jr. 93; 3 Wash. C. C. R. 350, 396. It is doubtful if this rule of charging interest on interest relates to real securities. See 9 Ves. jr. 223, though in 4 Yeates, 320, it was so held.

Interest cannot be recovered after a tender of a sum due, till a new demand and refusal (1 Dall. 407); from a person prevented by law from paying the principal (2 Dall. 103; 1 Yeates, 474); or from a mere trustee, for the money which he holds for the use of another, unless he neglects to pay it on demand. 2 Dall. 182.

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X. Delaware.

I. *Interest.* — The legal rate of interest is six per cent., and no more is allowed on direct or indirect contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the money and other things lent, one half to the Governor for the support of government, the other half to the prosecutor.

III. *Damages on Bills.* — There is no statute in force in Delaware in reference to damages on bills of exchange.

IV. *Foreign Bills.* — The damages upon bills of exchange drawn upon any person in England, or other parts of Europe, or beyond the seas, and returned under protest, are . . . . 20 per cent.

V. *Sight Bills.* — There is no statute with reference to bills, drafts, checks, &c., *at sight.* They are not, by usage, entitled to grace.

Decisions.

Interest. — Seven per cent. interest was allowed on a note drawn in New York. 1 Harring. 232.

Interest on damages is discretionary with the jury. 1 Harring. 234, 449.

Quere, whether interest on arrears of an annuity is not allowable in certain cases. 1 Harring. 392.

The principle of calculating interest and deducting payments on bonds, running accounts, and for and against administrators or guardians, is stated in 3 Harring. 469.

Interest is allowable on the ground of contract, or by custom (3 Harring. 528); but where there is no contract, usage, time fixed for payment, or account rendered, it is not usual to allow it. Ibid. It may be allowed on money due for work and labor. Ibid.

The sheriff held liable for interest on money levied by a sale of land from the time it was payable. 3 Harring. 25.

Bills or Notes. — A partial failure of the consideration of a bill of exchange cannot be set up as a defence to an action on the bill; but a total failure may. 2 Harring. 32.

Fraud will vitiate the contract; and to show fraud, the worthlessness of the article bought may be proved in an action on a bill accepted for the price of it. Ibid.

Bank-notes, though not money, have a certain legal character as money, and though not a legal tender they are a good tender unless objected to. 2 Harring. 235.

If at the time of a contract a bank-note be paid without indorsement, guaranty, or agreement, it is received as money, and the risk of the solvency of the bank is on the receiver. 6 Harring. 235.

Where a negotiable note is taken in the usual course of trade, before maturity, by an innocent party, *bonâ fide*, and for a valuable consideration, without notice, neither fraud nor want of consideration, as between the original parties, can be set up as a defence against the indorsee. 3 Harring. 385. A party cannot recover on an altered negotiable note without explaining the alteration. 3 Harring. 404. The payment of an antecedent debt is a good consideration for the assignment. Ibid.

Notice. — Notice of protest through the post-office is not sufficient if the indorser reside in the same town, unless there be a penny-post by which he is in the habit of receiving letters. 3 Harring. 419. The notice ought to be personal, or by writing left at the house or place of business. Ibid.

Demand. — If a note is payable at a certain place, demand at the place must be averred. 1 Harring. 10, 331. Demand must be made on the last day of grace. 1 Harring. 331.

The want of funds of the drawer at the bank will excuse the demand there; but this must be averred. 1 Harring. 10.

A bank depositor must make an actual demand for his deposit before suit is brought. 1 Harring 117, 496.

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XI. Maryland.

I. *Interest.* — The legal rate of interest in Maryland is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — There is no longer any penalty. The law of 1804, imposing one, was repealed on the 10th of March, 1846. A contract for interest beyond the legal rate of six per cent. is not void, but if the fact be specially pleaded, all excess of interest beyond the rate is abated from the recovery in the case. The act of the 10th of March, 1846, embraces all contracts made even before its passage, if not at that period actually in suit.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Maryland, payable in other States, and returned under protest, are uniformly . . . . . 8 per cent.

The claimant is entitled to receive a sum sufficient to buy another bill of the same tenor, and eight per cent. damages on the value of the principal sum mentioned in the bill, and interest from the time of protest, and costs. The protest of an inland bill must be made according to the law or usage of the State where it is payable.

Practice includes the District of Columbia in this law of damages (Act of Assembly, 1785, ch. 38); but it is questionable whether the District be within the law, which provides only for *States*.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are . . . . . 15 per cent.

The claimant is to receive a sum sufficient to buy another bill of same tenor, and fifteen per cent. damages on the value of the principal sum mentioned in the bill, and interest from the time of protest, and costs.

V. *Sight Bills.* — Grace is not allowed by the banks on bills, drafts, checks, &c., payable at sight.

Decisions.

Under the statute of Maryland of 1837, ch. 253, the certificate of a public notary is *primâ facie* evidence of the presentment by him of an inland as well as a foreign bill of exchange or note, and of his protest of a bill for non-acceptance or non-payment, and also of the sending or delivery of notice in the manner stated in the protest. 1 Gill, 127.

If a party receive notice of the dishonor of a bill in due time, he cannot object to the mode of conveyance. *Ibid.*

In Maryland, interest is not only given in all cases where it is in England, but in many others also. 2 Bland's C. R. 306.

It is not usurious in a bank to take interest in advance. 10 G. and J. R. 299.

Compound interest may be charged in three kinds of cases; first, where, with the knowledge and permission of the debtor, his whole debt, principal and interest, has been paid by a third person, or his surety; secondly, where the holder of money has been directed or undertakes to invest money in his hands to make it productive, and fails or refuses to do so; and thirdly, where a trustee has received rents and profits, and retains and uses the money as his own, he will be charged with the profits or with interest, considering each year's interest as an addition to the capital sum. 2 Bl. 166.

A bill or note payable to order can only be transferred by indorsement. 7 G. and J. 468.

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XII. Virginia.

I. *Interest.* — The legal rate of interest in Virginia is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — All contracts for a greater rate of interest than six per cent. per annum are void.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Virginia, payable in other States, and returned under protest, are uniformly . . . . . 3 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are uniformly . . . . . 10 per cent.

V. *Sight Bills.* — Grace is not allowed by statute or by usage on bills, &c., payable at sight.

Decisions.

A trustee, accountable for rents and profits, is chargeable with interest thereon. 3 Grattan, 518.

It is not usurious for a bank to take interest for the first day on which a note is discounted, and also for the last day on which it is payable, inclusive. 5 Leigh, 251.

Where one resorts to equity for relief against usurious debt yet unpaid, he shall be required to pay only the principal advanced to him, without even lawful interest, according to the statute; yet where debtor seeks, in equity, an account of, and decree for, money already paid on usurious contract, the measure of relief is the excess paid above principal and lawful interest; and if his payments exceed principal and lawful interest, the surplus, with interest, shall be decreed to him. 1 Leigh, 147; 5 Leigh, 478; see also 1 Paige, 429.

What interest is allowable upon any contract is always a question of law; and it is sometimes an intricate question as it respects the time or the place of the contract. 1 Rand. 35. And the court may instruct the jury with regard to the interest. 6 Call, 16.

Unsettled and disputed accounts ought not, in general, to bear interest. 1 Wash. 172; 2 Call, 366.

A legacy carries interest (no time for payment being specified) only from the end of the year after the death of the testator 3 Munf. 10.

As to compound interest, &c., under what circumstances it may be taken. 4 Yates, 220-230.

The practice in Virginia is favorable to the recovery of interest; and it was held, in an action on a penal bill, payable on demand, not necessary to aver a special demand. An obligation to pay money on demand is evidence of a present debt, payable instanter, and the writ a sufficient demand to entitle plaintiff to the penalty, and interest is allowed, not because of the forfeiture of the penalty, but because the debt was due and payable from the beginning. 6 Rand. 101.

Notary Public. — A certificate of a notary public, of a sister State, duly certified according to the usual notarial form, that a release was acknowledged by a party to be his act and deed, will not be received in evidence of the fact in the courts of Virginia. The deposition of the notary, or some equivalent testimony, should be produced. 1 Rand. 456.

Bills. — A protest of a foreign bill of exchange, in a foreign country, is proved by the notarial seal; but the protest is only *primâ facie*, not conclusive evidence of the dishonor of the bill. 7 Leigh, 179.

It is not enough to charge the indorser on a bill of exchange, whereof the drawer has refused acceptance when presented and payment when demanded, to prove protest for non-payment and due notice thereof to indorser; it is necessary to prove due notice to him of the dishonor of the bill by the non-acceptance. — 2 Leigh, 321; 4 Wash. C. C. R. 467.

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XIII. North Carolina.

I. *Interest.* — The legal rate of interest in North Carolina is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — A forfeiture of the principal and interest; and if usurious interest is collected, a liability to pay double the amount of principal and interest paid, — one half of the amount recovered for the use of the State, the other half for the claimant.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in North Carolina, payable in other States, and returned under protest, are uniformly . . . . . 3 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are as follows: —

1. Bills payable in any part of North America, except the Northwest Coast and the West Indies, ... 10 per cent.
2. Bills payable in Madeira, the Canaries, the Azores, Cape de Verd Islands, Europe, and South America, ... 15 per cent.
3. Bills payable elsewhere, ... 20 per cent.

V. *Sight Bills.* — By virtue of an act of the legislature, passed in January, 1849, grace is allowed on bills *at sight*, unless there is a stipulation to the contrary. Prior to that date the usage was not to allow grace on such bills.

Decisions.

Where a note was made in North Carolina, and a loan raised on it in Georgia, it was *held*, that it bore interest according to the law of Georgia. 7 Iredell's Rep. 424.

Whenever one person has the money of another, and knows what sum he ought to pay, he must pay interest for the same. 1 Hay. 4 (1791).

Interest must be calculated according to the law of the place where the contract was made. 2 Hay. 5 (1797).

Where money is payable on demand, interest does not accrue until a demand is made; when no time is appointed, the money is payable immediately without a demand, and interest accrues immediately. 2 Hay. 32, 49 (1798).

In equity, as a general rule, interest upon interest is not allowable. But when the sum is ascertained, and the annual payment of it forms part of the contract; where it is so specific that an action of debt may be sustained and interest recovered by way of damages for the detention, and particularly where the payment of the principal sum is postponed to a very distant period, upon the faith of the regular and punctual discharge of the interest, interest upon interest ought to be allowed. Con. R. 357 (1801). S. C., Tay. 231.

A *bonâ fide* holder of a bill or promissory note, in which the name of the payee has not been inserted, has a right to fill up the blank left for the payee's name with that of an indorser; he may subject the indorser upon a count for his indorsement, or as the drawer of a bill of exchange upon the maker. 2 Dev. 473 (1830).

A note made payable at the Bank of Cape Fear must be demanded at the bank in order to render the indorser liable. 1 Car. S. R. 482 (1814). Also at the State Bank. N. C. Term R. 72 (1817).

If in ordinary cases the maker has become insolvent, has absconded, or refuses to make payment, this will be sufficient to charge the indorser, upon due notice of the fact. Ibid.

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XIV. South Carolina.

I. *Interest.* — The legal rate of interest in South Carolina is SEVEN per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Loss of all the interest taken.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in South Carolina, payable in other States, and protested for non-payment, are uniformly . . . . . 10 per cent. together with costs of protest.

A bill drawn in South Carolina, payable in another State, is deemed a foreign bill, and damages may be claimed, although such bill be not actually returned after protest.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, negotiated in South Carolina, are as follows: —

1. On bills on any part of North America other than the United States and on the West Indies, ... 12½ per cent.
2. On bills drawn on any other part of the world, . 15 per cent.

V. *Sight Bills.* — Bills and drafts, payable at sight, or without time being specified, are by statute entitled to grace.

Decisions.

Where a sealed note was given for the payment of $ 2,500, three years after date, "with interest from the date, to be paid punctually at the end of each year," it was *held*, that the interest which fell due at the end of each of the three years, and remained unpaid, became principal also, and bore interest; but not so the annual interest which accrued afterwards, because there was no express or implied contract to that effect. 1 *Strobhart*, 115.

Where one contracts to pay a certain sum and interest on a certain day, the interest on that day becomes a part of the principal, and bears interest from that time. 3 *Richardson*, 125.

Judgments do not bear interest at common law. But in debt on a judgment, interest may be recovered by way of damages. 3 *Richardson*, 376.

Where the drawee of a bill, payable at sight, accepted it, "if presented at a particular time, he will be liable on it although not presented at that time." 3 *Richardson*, 311.

The drawer of a bill of exchange, having no funds in the hands of the drawee, is not entitled to notice of non-acceptance. 3 *Richardson*, 413.

Where one member of a firm accepts, in the name of the firm, a bill of exchange for the accommodation of the drawer, the payee in order to hold the partnership need not prove the assent of all the partners to the bill. 3 *Richardson*, 307.

A notary public making out a protest from the information of a clerk is not a sufficient ground for his entering it up in due form; it should be founded on his own personal knowledge; he must not depend on hearsay. 2 Bay, R. 410.

Formal protest by a notary is not necessary upon an inland bill of exchange or promissory note, though reasonable notice is required (in order to charge the indorser) that such a note or bill has not been duly paid. 2 Bay, R. 374.

A note of hand usurious between the original parties to the transaction is absolutely null and void, even in the hands of an innocent indorsee, though the holder may recover against the indorser from whom he received it in an account for money had and received. 2 Bay, R. 23.

A distinction has been made with regard to interest between written and parol agreements, it being allowed in the former when not in the latter. 3 McCord's R. 498.

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XV. Georgia.

I. *Interest.* — The legal rate of interest in Georgia is SEVEN per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest paid.

III. *Damages on Bills.* — The damages on bills of exchange, negotiated in Georgia, payable in other States, and returned under protest, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills.* — Grace is not allowed by the banks upon bills, drafts, checks, &c., payable at sight. There is no statute in Georgia upon this subject.

Decisions.

The indorsee of a negotiable promissory note, drawn in Georgia, payable in New York, and returned protested for non-payment, is entitled to charge five per cent. damages against the indorser, as provided by the act of 1823 in cases of protested bills of exchange. Howard *v.* Central Bank, 3 Kelly's Reports, 374.

A note for valuable consideration, transferred before due, and without notice of any equities, as collateral security for an existing debt, is not liable, in the hands of the transferee, to any of the equities between the maker and the payee. Gibson *v.* Conner, *Ib.* 47.

Bills and Notes. — The holder of a bill may, in default of payment, sue all the parties liable thereon at the same time, and may maintain an action against the drawer without previously suing the acceptor. 1 R. M. Charlt. 53.

The Georgia statute of 1799, in making promissory notes negotiable, whether given for money or other things, *ipso facto* made them exempt from the necessity of proving consideration. Dudley, Geo. 157.

Failure of consideration is no defence to an action by a *bonâ fide* holder without notice, unless the note is transferred after due. Geo. Decis. Part II. 163.

Usury. — Usury may be set up in defence to a proceeding to foreclose a mortgage. 1 Kelly, 392.

Where a surety on a debt tainted with usury pays the same, knowing the debt to be usurious, he cannot recover the amount paid from the principal. But he may recover it back from the creditor. 1 Kelly, 140; 3 Kelly, 162.

The maker of a usurious note is a competent witness for the defendant to prove usury, in an action by an indorsee against an indorser, on being released. 1 Kelly, 108.

A note, void as being given in direct violation of statute, is valid against the maker in the hands of an innocent indorsee, and the original consideration cannot be inquired into. Dudley, Geo. 249.

Renewals of a usurious contract carry the taint of usury with them. 1 Kelly, 416.

But a note given for the actual amount and legal interest advanced on a former usurious note is valid. 1 Kelly, 392.

By law, in a suit on a contract tainted with usury, in Georgia, neither legal nor illegal interest is recoverable. But in a suit in equity, to recover back usury paid, the legal interest will be deducted from the whole amount of interest paid. *Ibid.*

Interest. — A demand need not be in writing in order to be liquidated, so as to bear interest in Georgia. 2 Kelly, 370.

An attorney is liable for interest on money collected by him from the time it is demanded of him, and if he has failed to give notice to his client of the receipt of it, or applied it to his own use, from the time when he collected it. 1 Kelly, 275.

As a general rule, specific legacies of a productive nature bear interest from the death of the testator. 5 Kelly & Cobb, 301.

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XVI. Alabama.

I. *Interest.* — The legal rate of interest in Alabama is EIGHT per cent., and no higher rate of interest is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest. The principal sum actually paid can alone, without interest, be recovered.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Alabama, payable in other States, and returned under protest, are uniformly . . . . . 15 per cent.
Bills payable within the State of Alabama, ... 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 20 per cent.

V. *Sight Bills.* — Grace is allowed on bills, drafts, &c., payable at sight.

Decisions.

Usury. — The offence of usury is not complete, so as to enable a common informer to sue for the penalty given by the statute of Alabama of 1819, until the money, &c., has been taken, accepted, or received. 4 Alabama, 124.

The statutes of usury confer a personal privilege upon the borrower, which he may waive, and if he does, no third party can take advantage. 3 Alabama, 643.

Interest. — In Alabama, interest will be allowed as well upon debts contracted abroad, if the *lex loci contractus* authorizes it, as in the State. 7 Port. 110.

A note discounted by the Bank of Mobile carries the legal rate of interest, eight per cent., after its maturity. 7 Alabama, 490.

Where a partial payment is made and indorsed upon a promissory note before maturity, interest will not run upon the payment up to the maturity of the note, without a special agreement, express or implied. 7 Alabama, 359.

Bills and Notes. — The statutes of Alabama require the negotiability and character of bills of exchange, foreign and inland, and promissory notes, payable in bank, to be governed by the general commercial law. 4 Howard's U. S. R. 404.

It is incumbent on an indorser of negotiable paper, if he would prevent usury from being set up against him, to show that he became the innocent holder of the paper for a valuable consideration before its maturity. 9 Port. 9.

Successive accommodation indorsers of a bill are not co-sureties, in the absence of any agreement to that effect, and any circumstances raising such presumption. 5 Alabama, 683.

An indorser of a bill of exchange is not discharged by the mere forbearance of the holder to sue the acceptor for any length of time. 8 Port. 108.

A promise, in writing, to accept a bill of exchange not *in esse*, is in law a sufficient acceptance, if the bill be taken on the faith of such promise; and a collateral written or mere verbal promise to accept it, made after it was drawn, may also amount to an acceptance. But a mere verbal promise to accept a bill of exchange not yet drawn is not such an acceptance as will in law bind the acceptor, even if made to the person in whose favor it is drawn. 8 Port. 263.

Where a bill is made payable at a particular place, presentment for payment at that place is sufficient to hold the indorser. 9 Port. 186.

Where the holder of a bill of exchange and the parties sought to be charged upon its dishonor reside in different towns, notice of non-payment may be given through the post-office, although the agent of the holder and the party to be notified resides in the same town. 7 Alabama, 324.

In Alabama, damages other than interest cannot be recovered of an acceptor of a bill, as acceptor merely. 8 Port. 539.

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XVII. Arkansas.

I. *Interest.* — The legal rate of interest in Arkansas is six per cent. Special contracts in writing will admit an interest not to exceed ten per cent. All judgments or decrees upon contracts bearing more than six per cent. shall bear the same rate of interest originally agreed upon. (*R. S*, chap. 90, § 1, 2, &c., 1848.)

II. *Penalty for Violation of the Usury Laws.* — All contracts for reservation of a greater rate of interest than ten per cent. are void. The excess taken or charged beyond ten per cent. may be recovered back, provided the action for recovery shall be brought within one year after payment. (*R. S.*, chap. 90, 1848.)

III. *Damages on Bills.* — The damages on bills of exchange drawn or negotiated in Arkansas, expressed to be *for value received*, and protested for *non-acceptance*, or for *non-payment* after non-acceptance, are as follows (*R. S.* 1848, chap. 25): —

1. If payable within the State, ... 2 per cent.
2. If payable in Alabama, Louisiana, Mississippi, Tennessee, Kentucky, Ohio, Indiana, Illinois, or Missouri, or at any point on the Ohio River, ... 4 per cent.
3. If payable in any other State or Territory, . . 5 per cent.
4. If payable within either of the United States, and protested for non-payment, *after acceptance*, ... 6 per cent.

IV. *Foreign Bills.* — The damages on bills of exchange, expressed *for value received*, and payable beyond the limits of the United States (*R. S.* 1848, chap. 25), are . . . . . 10 per cent.

V. *Sight Bills.* — There is no statute in force in Arkansas in reference to grace on sight bills. Section 15, Digest of 1848, p. 218, says, "Foreign and inland bills shall be governed by the law merchant *as to days of grace*, protest, and notice."

Decisions and Statutes.

Protest. — The protest made by the notary public, under his hand and seal of office, shall be allowed as evidence of the facts therein contained. Digest, 1848, p. 217. But the certificate of a notary who protested a bill, though under his notarial seal, is no evidence of the fact. Real Estate Bank *v.* Bizzell, 4 Ark. 189.

Interest. — Where a note is given, bearing interest at the rate of ten per cent. per annum, the payment of the interest, as well as the principal, must be negatived in the breach, or it will be too narrow. 3 Pike's Arkansas R. 261.

In Arkansas, a promissory note, payable on demand, draws interest from date, without a demand. 4 Pike, 210.

Where there is a legal liability to pay interest on a money bond or note, by the non-payment thereof according to its tenor, such liability need not be alleged in an action on the bond or note. 2 Pike, 375.

The 4th section of ch. 80 of the Revised Statutes of Arkansas, which provides that judgments shall bear the same rate of interest as the contract upon which they are recovered, gives such rate of interest upon the damages recovered as well as upon the original debt. 4 Pike, 150.

In an action upon a note bearing interest at a rate greater than is allowed by law, except on special agreement, it is necessary to allege that the interest as well as the principal has not been paid. 3 Pike, 261.

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XVIII. Florida.

I. *Interest.* — The legal rate of interest is six per cent. On special contracts eight per cent. may be charged.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the whole interest paid.

III. *Damages on Bills.* — The damages on bills of exchange, negotiated in Florida, payable in other States, and returned under protest for non-payment, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills.* — Damages on foreign bills of exchange, 5 per cent.

V. *Sight Bills.* — Grace is not allowed on bills, drafts, &c., payable at sight. There is no statute in Florida upon this subject.

Decisions.

Usury. — In Florida, where illegal interest is reserved in a contract, it is void to the extent of the whole interest reserved, including as well legal as illegal interest. 1 Branch's Reports, 356.

A contract not usurious is not invalidated by a subsequent receipt of a contract for illegal interest. But where a usurious contract is substituted for one not usurious, in an action on the substituted contract, the plaintiff will be entitled to recover only according to the terms of the original contract. *Ibid.*

In respect of usury, a contract is to have effect according to the law at the time when it is made. *Ibid.*

Where a usurious contract is made void by statute at the time it is entered into, a subsequent repeal of the statute does not make the contract valid. *Ibid.*

The actual receipt of illegal interest is necessary to subject one to the penalty for usury under the statute of Florida. *Ibid.*

A contract to pay more than legal interest for past forbearance is usurious. *Ibid.*

Notes. — It seems that notice of protest to an indorser would be good if it be sufficient to put the party on inquiry, and prepare him to pay it or to defend himself. Even if there be some uncertainty in the description of the bill or note, if it does not tend to mislead the party, it will be good. 1 Branch, 301.

The original protest of demand and non-payment of a note made by a notary, where the notary testifies that it was made at the time of the demand of payment, and that he believes the facts stated therein are true, and have occurred, is admissible in evidence, although the notary does not remember any of the facts stated therein, independently of the protest. *Ibid.*

A part payment of a note by the indorser, not explained or qualified by any accompanying circumstances, will be held sufficient evidence of waiver of notice. But where the payment is made with the money of the maker, and by his request, the indorser acts as mere agent of the maker, and the transaction is so qualified and explained as to preclude all idea of an actual or intended waiver on the part of the indorser. 1 Branch, 25.

A plea filed under oath, in accordance with the Florida statutes, alleging the failure or want of consideration of a bond, note, or other instrument of writing, throws the *onus* of proving the consideration of the instrument sued on upon the plaintiff; but the consideration can be inquired into only between such parties as it might have been at common law. 1 Branch, 94. As between the indorsee and the maker, the consideration cannot be inquired into. *Ibid.*

A note in the words, "On demand, the first day of January next, I promise," &c., is payable on demand, and the clause, "the first of January," applies only to the time when interest was to commence. 1 Branch, 447.

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XIX. Illinois.

I. *Interest.* — The legal rate of interest in Illinois is SIX per cent. (*Act of March* 3, 1845.)

II. *Special Contracts.* — On contracts for money loaned, TEN per cent. may be charged. (*Act of January* 30, 1849.)

III. *Penalty for Violation of the Usury Laws.* — When usury is proved, the defendant recovers his whole costs, and threefold the amount of the whole interest reserved, discounted, or taken shall be deducted from the plaintiff's demand. (*Act of March* 3, 1845.)

IV. *Damages on Bills.* — The damages on bills of exchange negotiated in Illinois, payable in other States or Territories, and returned under protest for non-payment, are uniformly (*by act of March* 3, 1845) 5 per cent.

V. *Foreign Bills.* — The damages payable on foreign bills of exchange, returned under protest, are (*by act of March* 3, 1845) 10 per cent.

VI. *Sight Bills.* — There is no statute in force in reference to bills, drafts, &c., payable *at sight*. There are no banks in the State. Custom amongst merchants and brokers does not allow grace.

Decisions and Statute.

Special Contracts. — By the act of January 30, 1849, it is provided, that in an action brought upon a note in which is reserved a higher rate of interest than six per cent., and the issue being *not money loaned*, both parties may be witnesses.

Bills of Exchange. — In addition to the damages on bills of exchange allowed by the act of March 3, 1845, six per cent. interest is payable from the maturity of such bills, together with costs and charges of protest; provided the bill expresses *for value received*.

A note and agreement, made at the same time, must be taken together as forming one entire contract. 3 Scammon, 72.

Although no particular form is necessary to make a note, yet the writing must show an undertaking or engagement to pay, and to a person named in it, or to bearer, or holder of the instrument. Breese's Rep. 2.

The legal effect of a bond or note payable on or before the day is different from one payable on the day, in the one case the obligor having a right to pay before the day, but not in the other. 2 McLean, 402.

By the rule of the common law, a note under seal imports a valuable consideration, and no inquiry could be had in relation thereto. So a note not under seal, expressing on its face to have been given for value received, imports a sufficient consideration, and leaves it open to be impeached by the defendant. 1 Scammon, 208.

A note payable in cattle on a certain day, if not paid on the day, becomes payable *in cash*. 3 Scammon, 389.

Interest. — Held, that when a judgment is obtained upon a contract, that contract ceases to be, and is merged in the judgment, and such judgment, as regards the interest, is operated upon and controlled, not by the contract, but by the statute. Breese, 52.

Usury. — A special plea should be filed in order to set up the defence of usury, and application be made to the court for the benefit of the act. 1 Scammon, 212.

The plea of usury should state specifically the amount forborne, the time of forbearance, and how much was paid or agreed to be paid by way of interest for the forbearance, so that the court can determine, from the face of the plea, the amount to be paid to the defendant and to the county. 3 Scammon, 333.

It is a well-settled principle that a sale and purchase of a note, *bonâ fide*, in a fair course of trade, is not usurious where the original consideration was fair, legal, and not tainted with usury. 2 Scammon, 563.

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XX. Indiana.

I. *Interest.* — The legal rate of interest in Indiana is six per cent. No higher rate of interest is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest paid.

III. *Damages on Bills of Exchange.* — The damages on bills of exchange negotiated in Indiana, payable in other States, and returned under protest for non-payment, are uniformly . . . . 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 10 per cent.

V. *Sight Bills.* — Grace is allowed on bills of exchange payable *at sight*, but not on checks.

Decisions, &c.

Promissory Notes. — All notes payable in money at any bank in the State of Indiana, in which notes such bank may have any beneficial interest, are put on the same footing as inland bills of exchange.

If the bill or note expresses on its face that payment is to be made "without benefit of any appraisement law of the State of Indiana," property seized under execution to satisfy it may be sold without appraisement, for what it will produce; otherwise, the sale must be for the full appraised value.

To authorize the payee to recover against the drawer of a bill of exchange in which no time for payment is specified, he must present the bill to the drawee for acceptance or payment within a reasonable time after it is received. 7 Blackford, 367.

It is no defence to a note in the hands of a *bonâ fide* assignee, that it was originally given for an illegal consideration. The assignment is a contract which *primâ facie* imports a good consideration. 1 Blackford, 256.

The law is very well settled with regard to promissory notes payable at a particular place, that the place of payment is a substantial part of the contract; that before suit is brought, a demand of payment must be there made; and that such demand must be averred in the declaration, and proved at the trial. 1 Blackford, 329. The same doctrine applies to bills of exchange with acceptances to pay at a particular place. *Ibid.*

Interest. — Whenever a payment is made, the interest must be discharged first; but if a sum less than the interest is paid, the balance of the interest does not thereby become principal. 3 Blackford, 21.

As a general rule, interest is not allowed upon an open, unliquidated account. The custom of merchants of a particular State cannot be given in evidence when such custom is not sustained by the decisions of that State. 2 Blackford, 314.

The consideration of a note need not be averred in a declaration, any more than that of a bond or bill of exchange. 1 Blackford, 265.

A parol promise without consideration, that a party would not urge payment of a note which he held, is not binding in law. 2 Blackford, 118.

If the note was really obtained without consideration, the assignee had a right, as soon as he discovered the imposition, to sue the assignor for having assigned him a note which the maker was not liable to pay. 4 Blackford, 417; 2 Blackford, 418.

The assignee of a note having used due diligence to obtain the money from the maker, without effect, may maintain an action against the assignor. 1 Blackford, 15.

When a man assigns a note to another, he warrants two things; — first, that the note is valid and the maker liable to pay it; secondly, that the maker of the note is solvent and able to pay it. 2 Blackford, 419.

To entitle a third person to commence and prosecute a suit in his own name upon a promissory note, to judgment against the maker, it should be assigned to him by the payee. 3 Blackford, 459.

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A PRACTICAL TREATISE ON BANKING.

By J. W. GILBART, Esq.

PART I.—OF PRACTICAL BANKING. Section I. The Nature of Banking. II. The Utility of Banking. III. Banking Terms. IV. The General Administration of a Bank. V. The Administration of a Bank with Regard to Proceedings on Bills of Exchange. VI. Employment of Surplus Funds. VII. Seasons of Pressure. VIII. The Bank Act of 1844. IX. The Bank of England. X. Joint-Stock Banks. XI. The Administration of the Bank.—Clerks, — Duties, — Salaries, — Promotions, — Discipline, — Training. XII. Bank Book-keeping. XIII. Banking Calculations. XIV. Banking Documents, — Bonds, — Letters of Credit, &c.

The republication of Gilbart on Banking was commenced in the December No. of the *Bankers' Magazine*, and continued in the subsequent Nos. The present No. contains Sections XI. (continued) and XII. The entire work has been published by Mr. G. P. Putnam, New York, in one volume, octavo, pp. 468, and is one of the most valuable contributions that have been made to banking science. Our subscribers will be furnished with the remainder of the Treatise, in the Nos. from May to November inclusive.

"Mr. Gilbart's works on Banking have attained a just celebrity. Plain and practical, they are suitable to the character and position of the writer, and to the wants and inclinations of the banking and mercantile community, for whom they are chiefly intended. They are not, however, without much interest for every inquiring mind, while for statesmen and political economists they are sources of much useful and even indispensable information. The present work treats of banking as an *art*, and its merits have already been recognized by the public. The principal characteristic of Mr. Gilbart's book is practical common sense, a due subordination of all the parts of the subject, so that none has an undue prominence; which, being joined with a perspicuous style, accounts for the favor his works have deservedly met with."—*London Economist.*

SECTION XI.—The Training of Clerks for Higher Offices in Banks. (*Continued from page 757, March No.*)

SECTION XII.—Bank Book-keeping. Preliminary Observations. The Cash Department. The Bill Department. The Country Department. The Note Department. The Branch Department. The General-Ledger. Periodical Balances.

We have here spoken of that kind of training which is adapted to the making of clever clerks. But as in the joint-stock banks a clerk may become a manager, it is desirable that those clerks who are deemed the most clever should be put under a course of training that will, with experience, qualify them for that office. It is, in some respects, more difficult to do this in a large establishment than in a small one. In a bank that has forty clerks, one clerk sees only a fortieth part of its operations. In a bank where there are only ten clerks, one clerk sees a tenth part, and may easily acquire a tolerable knowledge of the whole. A bank that has many branches has a great facility for training clerks to become managers. When a branch manager is absent, from illness or any other cause, one of the senior clerks of that or some other branch will take his place, and thus gradually become accustomed to the duties of the office.

The clerks thus selected for this kind of training should be young men who are quick and efficient in the discharge of all their official duties, and, moreover, possess a good temper, gentlemanly appearance and manners, a degree of literary information, with a desire of improving their knowledge and their talents. They should not be young men who have en-

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tered the bank until they can get something better, but those who look to banking as their profession, and are ambitious of attaining to the highest posts in the establishment. But beyond the qualities we have enumerated, it is necessary, above all things, that they should have habits of business.

"Habits of business is a phrase which includes a variety of qualities, — industry, arrangement, calculation, prudence, punctuality, and perseverance. And these virtues are exercised, not from the impulse of particular motives, but from habit. If you hear a man boast of being industrious, you may safely infer that he does not possess the habit of industry, for what a man does from habit, he does mechanically, without thinking of the merit of his actions, though they may be highly meritorious. Habits of business are essential to a merchant. But though essential to a merchant, they are not peculiar to him. They are as necessary to a professional man as to a merchant, — as necessary to ladies as to gentlemen, — as necessary for the government of a family as for the government of a commercial establishment. The greater the intellectual talents of the individual, the more necessary are habits of business to keep him steady in his course The more canvas he spreads, the more ballast he requires. If we examine the history of those illustrious characters who have risen to eminence as the masters, the legislators, or the instructors of mankind, we shall find they have been as much distinguished by their habits of business, as by the superiority of their intellect. While, on the other hand, we could easily point out, in every science and in every path of life, some young men who, though of towering genius, have become lost to themselves, and have disappointed the hopes of all their friends, through a want of habits of business. They have burst upon the world with more than noontide splendor, they have attracted universal notice, they have excited big expectations, and suddenly they have darted into an oblique course, and passed into oblivion." (*Lectures on Ancient Commerce*, by J. W. Gilbart, p. 94.)

If a clerk be intended to be trained for a manager, it may be questioned whether he will be improved by remaining a long time as a clerk. The two offices are very distinct, and they call into operation distinct qualities and operations of mind. A very old banker's clerk (unless he has been a chief clerk) is generally, from the very length of his service, disqualified for being a manager. Seven to ten years' experience as a clerk is quite long enough, and after that period the sooner he becomes a manager the better, provided he has the necessary qualifications. Even during that time he should have been occasionally employed in those operations that require the exercise of his faculties as a man of business. It has often been said, that good servants make bad masters. If this be true, it is probably the result of an intellectual more than a moral deficiency. A lengthened service causes the mental faculties to move in a routine from which they cannot be suddenly aroused into an attitude of independence, so as to be able to trace causes and effects, to balance opposing considerations, and to engage in those reasoning processes which are required by the exercise of authority. Hence it is, that before a clerk is appointed a manager, he should undergo some kind of training. The best training for being a manager is that of being chief clerk, or of holding an equivalent post next to the manager. It will necessarily follow that the holder of such a post will have occasionally to take the place of the manager, and the manner in which he may then act will be a fair criterion by which to judge of his qualifications for that, or a similar situation.

Among the means of training clerks for superior offices, we should give

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a high rank to the formation of a library of banking books, to which the whole of the establishment should at all times have access. The remarks we made in a letter, addressed to the manager of a country bank, in the year 1846, and which was afterwards published in the sixth volume of the *Bankers' Magazine*, are, we think, not inapplicable to this subject: —

"I wish you would advise your directors to celebrate their success by sending to each of their branches monthly a copy of the *Bankers' Magazine*. It would be sent direct from London, the last day of the month, I believe, free of expense; and as the number of next month will commence a new volume, they could not begin at a better time. I am sure this would be a profitable investment of some portion of your surplus funds, and would yield an ample return in the results arising from the increased knowledge and skill of your managers. Here they will learn points of *law* and of *practice*, with which they were previously unacquainted, and be better prepared to deal with such cases when they occur in their own experience. It seems peculiarly necessary that managers of branches, who have not the opportunity of immediately consulting with any of the directors, should be supplied by the bank with the means of obtaining this kind of information. Losses are sometimes incurred by joint-stock banks, through the want of knowledge of a little banking law on the part of their principal officers. The managers would not be the only gainers. The other officers of the branches would have the opportunity of self-improvement; and thus routine clerks might become intelligent bankers, and you would train in your own establishment a constant supply of able men, to take the places, when necessary, of the existing managers. It is one of the excellencies of our system, that the junior clerks may look forward to being placed at the head of the establishment; but this can only take place in those instances wherein the clerks endeavour to acquire that professional and general knowledge which is necessary in the present day, in order to discharge the duties and maintain the position of a manager. Unless they do this, those who are now clerks will remain clerks as long as they live, and the next generation of managers will be taken from the more instructed classes of society."

The manager of a joint-stock bank in the midland counties, on whom we called last summer, informed us that his directors had recently voted £ 100 towards the formation of a bank library. To the directors of other banks we would say, "Go and do likewise."

In training clerks for intellectual offices, it is advisable not to give them too many instructions with regard to minute details. They should be taught to think for themselves. A man's talents are never brought out until he is thrown, to some extent, upon his own resources. If, in every difficulty, he has only to run to his principal, and then implicitly obey the directions he may receive, he will never acquire that aptitude of perception, and that promptness of decision, and that firmness of purpose, which are essentially necessary to those who hold important and responsible offices. Young men who are backward in this respect should be intrusted at first with some inferior matters, with permission to act according to their discretion. If they act rightly, they should be commended; if otherwise, they should not be censured, but instructed. A fear of incurring

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censure, a dread of responsibility, has a very depressing effect upon the exercise of the mental faculties. A certain degree of independent feeling is essential to the full development of the intellectual character. It should be the object of a banker to encourage this feeling in his superior officers. Those bankers who extend their commands to the minutest details of the office, exacting the most rigid obedience in matters the most trivial, harshly censuring their clerks when they do wrong, and never commending them when they do right, may themselves be very clever men, but they do not go the way to get clever assistants. At the same time, they exhaust their own physical and mental powers by attending to matters which could be managed equally well by men of inferior talent.

After a clerk has become a manager, his education has yet to be completed. Lord Bacon observes, that reading makes a wise man; writing, an exact man; and conversation, a ready man. Whatever knowledge he may have acquired by reading or otherwise, however exact he may have been in the discipline of the office, the young manager has yet to become a ready man. He has to apply his knowledge promptly and independently, and, at the same time, wisely. This habit he will acquire by time. The exercise of authority over other men produces an independence of mind which is friendly to the maturing of the understanding; while the necessity for giving immediate decisions in conversation with his customers will have a tendency to produce promptness of judgment. There is no profession in which experience is more useful than in banking. But it is useful, not so much in the amount of knowledge that is acquired (though that is important), as in the improvement it imparts to those intellectual faculties which are called into exercise. It is by constant practice that these faculties gather strength. Habits are formed by repeated acts, and they can be formed in no other way.

Before closing this section on the administration of the office, we may observe, that although the duties of a chief clerk are quite distinct from those of a banker, yet in small establishments they are often performed by the same person. In branch banks, generally, the manager is both the banker and the chief clerk. But as the branch increases, the manager will gradually transfer to the second officer the duties of the chief clerk, and confine his own attention to those of a banker. It is too much the practice in England to view a bank manager as holding the same relative position in a joint-stock bank which a chief clerk does in a private bank. This is an error. A manager is not a banker's clerk, — he is a banker. And although he may reserve some important cases for the consideration of his directors, yet they are usually such cases as a private banker would reserve for consultation with his partners, or on which, had he no partners, he would take time to form his own determination.

It may also be observed, that although the government of the office will generally be left entirely to the chief clerk, and it is not necessary that the banker should be made acquainted with all the trivial delinquencies of the clerks, yet there are certain acts of misconduct that must always be reported, and when reported must be dealt with by the banker himself. In a well-disciplined establishment these cases will be rare, but they will occur sometimes, and then the mode of reproof or punishment

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will be regulated by the kind of offence and the character of the party. Every act of dishonesty, however trifling the amount purloined, must be followed by instant dismissal. Acts of deliberate disobedience to orders, gross disrespect to superior officers, or acts of immorality that would bring discredit on the bank, will generally be visited with the same punishment. But extreme punishment should be inflicted only in extreme cases. Mere accidental errors, though they may sometimes occasion great loss, must not be treated in the same way as those faults which arise from gross neglect, or which imply a deficiency in personal honor. It is generally a good rule, that a banker should not reprove a clerk in the presence of the other clerks. By following this rule, he can adapt his reproofs to the character and position of the party; for a valuable clerk, even when really culpable, is not to be treated in precisely the same way as another whose services are of less importance. Nor is it any violation of justice, that those faults which arise from inadvertence should be viewed differently from those that arise from bad habits. Nor will it tend to impair the discipline of the office should it be known that a good character will sometimes get a young man out of a scrape, while he who had not that good character would be punished more severely for a less important offence. Another rule to be observed in administering reproof is, in reminding a clerk of his defects, to commence with telling him of his *good* qualities. There is a credit as well as a debit side in every man's character; and it seems hardly fair to run over all the debit items, and say nothing of the other side of the account. This plan, too, increases, instead of diminishing, the pungency of the reproof, while it removes from the mind of the party any impression that the banker is influenced by motives of personal dislike.

Section XII. — BANKING BOOK-KEEPING.

"Although the business of keeping books is extremely easy when once the accounts are properly arranged, yet the adaptation of the principle of double-entry to extensive and complicated transactions, so as to receive the full benefit of the system, is a process which requires the most complete knowledge, not only of the *practice*, but also of the *science*, of book-keeping."

"Book-keeping, like all other arts, can only be mastered by industry, perseverance, and attention. The learner must think for himself, and endeavour to understand the *why* and *wherefore* of all that he does, instead of resting satisfied with vague notions and words devoid of sense."

"The study of book-keeping affords an excellent means of intellectual discipline; that is, when its principles are exhibited as well as their application. When the reasoning powers are called into exercise as well as the memory, the student who has carefully attended to the instructions, and who is the *master* and not the *slave* of rules, will experience no difficulty in unravelling or adjusting any set of accounts, however complicated or diversified." (*Double-Entry Elucidated*, by B. F. Foster.)

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We have commenced this section with these quotations in order to quicken the attention of the reader to a subject, which, by those who do not understand it, is considered complicated, and by those who do understand it, is considered dull. It is, in fact, neither the one nor the other. But still it is a subject on which it is difficult to write in such a way as to avoid the possibility of being misunderstood. We purpose in this section: —

I. To notice those Preliminary Operations with which a young Book-keeper should become acquainted.
II. To describe the system of Banking Book-keeping as published in the former edition of this work.
III. To state those Improvements of which this system has been found to be susceptible.
IV. To trace the Resemblance between Banking Book-keeping and Mercantile Book-keeping.

I. Preliminary Operations.

When a young man enters a bank as a clerk, he should be instructed to be careful with regard to his hand-writing, or, in his anxiety to write fast, he may forget to write well. If he write a bad hand, he should not be above taking a few lessons from a professor of penmanship, who will teach him to write fast and well at the same time. But, however badly he may write, he should try to write plain. Plainness is of more consequence than neatness or elegance. He should be very careful in writing the names of the customers of the bank. If he write them illegibly, there will be a loss of time in making them out, or they may be misunderstood, so that money may be posted to the wrong account, and thereby loss arise to the bank. On this account also, when two or more customers have the same surname, he should be very careful to write the Christian names fully and distinctly.

The necessity for writing quickly, and the want of carefulness at first, are the causes why so few bankers' clerks comparatively write a good hand. But they should remember that this is a most important qualification, and a deficiency in this respect may be an insuperable bar to promotion. Without this attainment, a clerk cannot be put to write up the customers' books, nor to make out the country accounts, nor to write the letters, nor to fill the office of secretary. "You ought to be careful to write a plain hand. You impose upon your correspondents a very unnecessary and a very unpleasant tax if you require them to go over your letters two or three times in order to decipher your writing. A business hand is equally opposed to a very fine hand. A letter written in fine, elegant writing, adorned with a variety of flourishes, will give your correspondent no very high opinion of you as a man of business." (*Lectures on Ancient Commerce*, by J. W. Gilbart, p. 239.)

The plan of writing-masters who advertise to teach good and expeditious writing in a few lessons is as follows: — The pupil rests his hand upon the paper without touching it with his little finger. All the motion is then made from the wrist. Those who have to write their names

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many times in succession, such as in signing bank-notes or in accepting bills, will find that on this plan they can get through their work in much less time than if they bend their fingers with every stroke of the pen.

The young clerk should also be taught to make his figures clear and plain, so that a 2 cannot be mistaken for a 3, nor a 3 for a 5. He should also take care that the tail of his 7 or his 9 does not run into the line below, and thus turn a 0 into a 6, and also that the top of his 4 does not reach so high as to turn a 0 in the line above it into a 9. He should be careful, too, in putting his figures under one another, so that the units shall be under the units, the tens under the tens, the hundreds under the hundreds, and the thousands under the thousands. Otherwise, when he adds up the columns together, he will be in danger of making a "wrong cast."

He will also learn to use both hands at the same time. In counting gold or silver coin, he will count with two hands instead of one, and thus do double the work. In *entering* a number of cheques or bills, while he holds the pen in one hand he will hold a cheque in the other, and then turn over the cheques as quickly as he enters them. He will always turn them over one on the back of the other, so that they will be in the same order after he has entered them as before, and when they are "called over" they will come in the same order in which they are entered.

He must also learn to "cast" quickly and accurately. The two main qualifications in this operation are accuracy and quickness. To insure accuracy, a clerk will *cast* every thing twice over. The first time he will begin at the bottom of the column, and the second time at the top. If he begin both times at the bottom of the column, the association of figures will be the same; and if he has fallen into an error the first time, he will be apt to fall into the same error the second time. But if he changes the order, the association of the figures will be different, and he will not be likely to fall into the same error. Quickness can be acquired only by practice. But he will accelerate his speed by making his figures plain, and placing them strictly in a line under one another. He should also learn to cast without speaking, for the eye and the head will go faster than the lips.

He must also be taught to "call over." When he first comes into the bank, he will call this sum, £315 10*s.* 6*d.*, three *hundred and* fifteen *pounds* ten *shillings and* six *pence*, but he will soon learn that more than half these words may be suppressed, and he will say, three, fifteen, ten, six. And so in the larger amount, £4,785 13*s.* 4*d.*, instead of saying, four *thousand* seven *hundred and* eighty-five *pounds* thirteen *shillings and* four *pence*, he will call, forty-seven, eighty-five, thirteen, four. By proceeding in this way, and speaking quickly and yet distinctly, a column of figures may be called over and checked in a very short space of time. He will, however, take care to avoid ambiguity. Thus, if the sum be £40 5*s.* 6*d.*, he will not say forty, five, six, as that would mean forty-five pounds six shillings; but he will say, in this case, forty *pounds*, five, and six. In cases where the pounds consist of five figures, the first two denoting the thousands are expressed separately; thus £25,347 8*s.* 6*d.* is

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called over, twenty-five, three forty-seven, eight, six; and six figures, say £468,379 8*s.* 6*d.*, are called over, four sixty-eight, three seventy-nine, eight, six.

He will also be taught to *balance;* that is, to find the difference between two sums by *addition*, instead of subtraction. Thus, if the two sums be £1,347 16*s.* 3*d.* and £4,834 19*s.* 8*d.* he will be apt, at first, to put one under the other and subtract, in this way:

	£4,834 19 8
	1,347 16 3
Difference, ...	£3,487 3 5

But he must be taught to proceed by a mental process, and will add the difference to the smaller number, thus:

	£1,347 16 3	—	£4,834 19 8
Difference, ...	3,487 3 5		
	£4,834 19 8		

He performs this operation by beginning with the pence, saying, or rather *thinking*, "three and five make eight," and so on. And thus the two sides of an account are made to balance, that is, both sides are of the same amount.

The principle of balancing pervades the whole system of book-keeping. For example, we know that if to the amount of cash in the bank last night we add the amount received to-day, and deduct the amount paid to-day, the remainder will show the amount on hand to-night; and a novice would very naturally put it down in this form:

	£
Cash on hand last night, ...	100,000
Received to-day, ...	60,000
	160,000
Paid to-day, ...	80,000
Cash on hand to-night, ...	£80,000

But an accountant would arrange these four items in such a way as to form a balance, thus:

	£		£
Cash paid away to-day . .	80,000	Cash on hand last night, . .	100,000
Cash on hand to-night, . .	80,000	Cash received to-day, . .	60,000
	£160,000	Balance, . . .	£160,000

In keeping the Progressive Ledger, the principle of balancing is of constant occurrence. The ledger-keeper brings out a new balance every time he turns to an account. But he never deducts, — always adds. And if he post several articles at the same time, the method is the same, thus:

If the credit balance is		£1,214 3 7
And he posts the following sums to the *debit* of the account, ...	£141 2 4	
	8 7 6	
	49 3 11	
	305 4 2	
		£710 5 8

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He will add up these items, and mentally add a sum that will make the whole equal to £ 1,214 3*s.* 7*d.*, bringing out this sum as a new balance, and placing it under the former one as he goes on. Thus he will say, or rather think, "4 and 6 are 10, and 11 are 21, and 2 are 23, and (here he must supply the figure) 8 are 31 = 7 and carry 2"; and he puts down the 8 in the pence division of the balance column; and goes on in the same way to the shillings, and afterwards to the pounds. When he has placed this sum, £ 710 5*s.* 8*d.*, he adds up the whole, including this sum, in order to check the operation, and to be sure that he is right.

He will then acquire a knowledge of the names and functions of the different books, and of the terms and phraseology used in book-keeping. The same book is sometimes called by different names in different banks, and different terms are employed to describe the same operations. But every clerk should use the language of the office in which he is placed. He should call every book by its proper name, and employ the phrases which are used by others. For instance, if the word "money" is used to denote coin, he must always use it in that sense; and not say "money" when he means bank-notes.

It will be of great advantage to a sensible youngster, if one of the senior clerks should take the trouble to give him a general notion of the system of book-keeping, and show him the connection that exists between the books that he keeps and the other books of the office.

II. We shall now describe the system of Banking Book-keeping, as published in the former editions of this work.

Every person, on opening an account with a London banking-house, enters his name in a book called the Signature-Book, and this book is referred to whenever a draft is presented having a doubtful signature. The person is supplied free of cost with a book of printed drafts, and a cash-book, called in some houses a Pass-Book, in which is entered an account of his debts and credits, as often as he thinks proper to leave it for that purpose.

London bankers do not usually give receipts for money paid into their hands, but they enter the amount into the customer's book. A person paying money on account of a country book, will sometimes require a receipt, and he is then given what is called a shop-receipt, in the following form: —

London, May 1, 1827.

Received of [*the country bank*] *the sum of one thousand pounds.*
To account for on demand.

For Hope, Rich, & Co.
£ 1,000. *A Cashier.*

The name of the party paying the money is not inserted in the receipt, as that would require a stamp.

The payment of a draft, or a bill, is always made either in Bank of England notes, or sovereigns, as the party receiving it may desire. The London bankers never re-issue any country notes or bills of exchange, that may come into their hands. When a cheque is paid, it is cancelled by

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drawing the pen four times, in different directions, across the name of the drawer. In Scotland a paid note or cheque is said to be "*retired.*" It is retired or withdrawn from circulation.

Before explaining the banking system of book-keeping, I will define a few terms which are often used in connection with the subject. By the word *bill* is always meant a bill of exchange not yet due. The word *cash* denotes the various items included in a credit or cash entry, and may denote *due* bills, cheques, bank notes, country notes, or coin. The terms *cheque* and *draft* are used synonymously, and denote an order on a banker, payable on demand. The word draft is never used in London to denote a bill of exchange, though this use of the term is very common in the country. Both bills and drafts are often called *articles*, and if they are cash, they are styled *cash articles.* An *addressed bill* is a bill made payable at a banking-house. A discounted bill is usually called a *discount.* By *money* is always meant coin. To *post* an article is to *place* or *enter* it in the ledger. One book is said to *mark against* another when the same entry is made in both books. One book is *checked by* another when any error in one book would be detected by some operation in another. To *check* a book, or an account, is to examine it, and prove it correct, or make it so. To *cast*, or *cast up*, means to add together. The *balance* of an account is the difference between the credit and the debit side. An account is said to *balance* when the credit and the debit side are of the same amount. To *balance* an account is to enter the balance, and to add up both sides, and then to bring down the balance as a new amount. The *credit* side of an account, or that on which the cash received is placed to the credit of a customer, is the right-hand side as you face the ledger; the *debit* side is the left-hand side. In London, the establishments of bankers are usually called *banking-houses*, not banks. A person who has an account at a banking-house, is said to *keep a banker.*

I shall now describe the various books in the order of the different departments to which they belong.

I. — *The Cash Department.*

The principal books in this department are the following: —

1. Two Waste-Books. — One is called the Received-Waste-Book, and the other the Paid-Waste-Book. In the former is entered an account of all the cash *received*, and in the latter is entered an account of all the cheques and bills *paid.* The Received-Waste-Book is ruled with a double cash column on the right-hand side of the page. In making an entry into this book you will proceed as follows: — First, enter the name of the party who lodges the money; then enter in the first cash column the particulars of which the credit consists, specifying each particular in the space at the left-hand. In receiving Bank of England notes, the number and date of each note must be mentioned; but if the notes are numerous, make them up in a parcel, and write on the outside the total amount, and the name of the party of whom they were received. Call this parcel "Sundries" in your entry. These parcels of sundries will be marked,

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and sent to the Bank of England for other notes on the following day. Cheques on your own bank are to be entered by the name of the drawer and the amount. Country notes are to be entered by the name of the London banker at whose house they are made payable. These are distinguished from cheques upon bankers, by stating short the number and denomination of the notes; thus, $\frac{1}{10}$, $\frac{2}{5}$. All gold and silver are to be called money. After entering all the particulars of a credit, add them together, and carry out the amount into the farther cash column. At the close of the day add up this outer column, and see that the total agrees with the amount in the Day-Book.

If a customer brings his book with him when he lodges cash, the cashier enters the credit, and returns the book to him, unless it be left at the bank for the purpose of having the debit side also written up.

In receiving money for a deposit receipt, the entry is made in the same way as when the money is placed to a current account; but the words Deposit Receipt, or the letters D. R., are written against the name of the depositor.

In the Paid-Waste-Book is entered an account of all the bills and cheques paid by the bank. This book is ruled on each page with a cash column on the right hand, and another on the left hand, leaving a space between. When a cheque is paid, the amount is placed in the left-hand cash column, then the name of the drawer in the open space, and in the right-hand cash column are entered the particulars of the payment. Bank of England notes are entered by their number. It is not necessary to enter the date, as that can be found if necessary either in the Cash-Book of the preceding evening, or in the Received-Waste-Book, or the Lists of the same day. When a deposit receipt is paid, the same order is observed, but the letters D. R. are added. All gold, silver, and copper are called money. At the close of the day, all the payments are added together, and should agree with the amount in the Day-Book.

Each cashier has a Received-Waste-Book, a Paid-Waste-Book, and a Money-Book.

2. Money-Book. — This is a small book ruled with a cash column on the right-hand side of each page, and it contains an account of all the *coin*, that is, the gold, silver, and copper, in the bank. Each cashier will enter in his own Money-Book the money he receives and pays in the course of the day. On the left-hand page of the book he will copy from his Paid-Waste-Book the various sums of money he has paid, and on the right-hand page he will copy from his Received-Waste-Book the various sums of money he has received. In each case he will enter against the respective sums the totals in which they are included. Thus, if in paying a cheque of £ 175 2*s*. 6*d*., he pay 5 - 2 - 6 money, he will enter it thus, "£ 175 2. 6. £ 5 - 2 - 6." The money is counted up at night, and must agree with the balance of the Money-Book; and this balance is then entered in the Cash-Book.

3. Cash-Book. — In this book is entered every night a specification of all the cash in the bank. The items will consist chiefly of Bank of England notes, parcels of sundries, country notes, cheques on other banks, and the balance of the money. The Bank of England notes are entered

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by their number, date, and amount. The parcels of Bank of England notes called sundries are entered by the word "Sundries," then the name of the parties of whom they were received, and the amounts; country notes by the name of the country bank, and the London agent at whose house they are made payable; cheques on other banks by the name of the drawer of the cheque, the name of the banker, and the amount. In this book generally the cash articles are more fully described than in the Received-Waste-Book. In some banking-houses the Cash-Book is called the STOCK-BOOK, and in others the MAKE-UP-BOOK.

4. DAY-BOOK. — This book is ruled with a double cash column at the right-hand side of each page. The accountant enters in the Day-Book an account of all cash paid and received during the day, placing each transaction under the class of operations or accounts to which it belongs. On the left-hand page of the book he enters the cash which is paid, and on the right-hand side the cash which is received. He commences by writing the day of the week, and of the month; then on the left-hand side he writes a heading, "CURRENT ACCOUNTS." Under this head he enters all the cheques paid, copying from the cheques the name of the drawer, and the amount, which is placed in the first cash column. The sum of all the cheques is brought forward into the second cash column. The second heading is "DEPOSIT RECEIPTS"; under which head the individual receipts paid are entered, mentioning the number, the name of the depositor, and the sum; and bringing out the total amount, as before, into the second cash column.

The accountant may, if he please, make these headings in the morning, leaving such a space for the transactions under each head as his experience may show him to be necessary. Thus, he may keep up his Day-Book throughout the day, and merely have to add it up and balance it when the bank closes. The other headings may be, "Bills Discounted this day," "Interest paid on Deposit Receipts," "Bank Premises," "Incidental Expenses," "Branch Accounts," &c., answering to the accounts in the General-Ledger.

On the right-hand page, or credit side of the Day-Book, the cash received is entered under corresponding headings, as "CURRENT ACCOUNTS," "DEPOSIT RECEIPTS," "BILLS DISCOUNTED PAID THIS DAY," &c., &c. The entries under the heads of Current Accounts, and Deposit Receipts, are copied from the Received-Waste-Books: the entry expresses only the name and the amount.

After all the entries have been made, add up the debit and the credit sides. To the credit side, add the amount of the Cash-Book on the preceding evening; to the debit side, add the amount of the Cash-Book on the same evening; and if the totals agree, the "bank is right," that is, the transactions of the day have been correctly entered; but if not, then the bank is wrong, and the error must be discovered by "marking off" the various books.

In large establishments the Day-Book is divided into two books; the debit side forming one book, and the credit side the other book. One is called the "Paid Day-Book," and the other, the "Received Day-Book." The advantage of this division is, that two persons can be employed at the

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Day-Book at the same time. In some banks the Day-Book has three cash columns, the third being used for transfer entries. These are entries in which no cash is actually paid or received by the bank; but an amount is transferred from one account to another. In other banks, all the transfers are passed through the Received-Waste-Book. By some London houses the Day-Book is called the Cash-Book, and its two divisions are called the "RECEIVED-CASH-BOOK" and the "PAID-CASH-BOOK."

5. CURRENT-ACCOUNT-LEDGER. — In this book every customer has a separate account. The sums received to his credit are posted from the credit side of the Day-Book, and the Ledger folio is placed in the Day-Book, in a column ruled for that purpose. The debit side is posted from the cheques themselves, and the Ledger folio placed in the debit side of the Day-Book on the following morning, when the Day-Book is marked against the Ledger. The entry of a cheque in the Ledger includes the date of payment, the name of the party to whom it is payable, and the amount. The entry of a credit includes the date, the word "Cash," and the amount. When the cash is paid into the bank by a third party, it is usual to enter it in the Ledger as "Cash per A. B." When a credit arises from a bill lodged for collection having become due, the *name of the acceptor* is substituted for the word cash.

Some banks follow what is called the *progressive* plan of keeping the Ledger. By this plan the balance is brought out every day, and thus we see the *progress* of the account. In the ordinary way, each page of the Ledger is divided into the debit and the credit side, and each side has ruled columns for the date, the transaction, and the amount. But in the progressive Ledger there is only one column for the date of both the credits and the debits; one space for a description of the transaction, whether credit or debit; and then three cash columns. The first column is the debit column; the second is the credit column; and the third is the column into which the daily balance is brought out. The advantage of this plan is, that you can see at once what sum a party has on his account, without the delay of adding up the debit and the credit columns. Most banks that allow interest on the balance of the current accounts, keep their Ledger on the progressive plan; and, besides the columns I have mentioned, there are, on the right side of the balance column, a space for inserting the number of days the balance may remain stationary, and two interest columns, one for the interest of a credit balance, and the other for the interest of a balance overdrawn. Most banks divide the Current-Account-Ledger into two or more parts, and the names of the depositors are placed in alphabetical order, from the beginning of the first Ledger to the end of the last.

6. DEPOSIT-RECEIPT-BOOK. — Deposit Receipts are receipts granted for sums of money that are likely to remain a considerable time, and upon which interest is allowed. These receipts are distinguished from current accounts. Cheques cannot be drawn against any sum lodged as a deposit receipt; but when the amount, or any part thereof, is withdrawn, the receipt itself must be produced at the bank, and delivered up. The Deposit-Receipt-Book is not kept *ledger-wise;* that is, each person

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has not a separate account opened for him in a distinct part of the book, but the receipts are entered chronologically, according to the date of the lodgment. The entry includes date of lodgment, name of depositor, profession, residence, amount, interest paid, principal and interest. The last two particulars are, of course, not entered until the receipt is cancelled. If a party is desirous of withdrawing only a part of the lodgment, the whole receipt is entered as paid, and a new receipt made out for the sum which remains.

II. — *The Bill Department.*

Bills are divided into two classes, — bills deposited, and bills discounted. Bills deposited are bills lodged in the bank for collection, to be placed, when due, to the credit of the depositors. Bills discounted are those for which the money has been advanced, and which are therefore the property of the bank. These two classes of bills are entered in separate sets of books; but, as the books are kept in nearly the same manner, I shall describe them together.

1. BILL-REGISTER. } These books are kept, as the word regis-
DISCOUNT-REGISTER. } ter seems to imply, chronologically, the bills being entered immediately after each other, in the order in which they come into the bank. The entry includes date when deposited or discounted, name of ingiver, drawer, accepter, date, term, when due, amount, daily amount. The bills are numbered, and the register-number placed upon each bill. The daily amount of the Discount-Register is entered in the debit side of the Day-Book, under the head "Bills Discounted this day." I advise that the headings of the columns of this, and of all the other books, be printed. This saves time and prevents mistakes.

2. BILL-LEDGER. } In these books a separate account is opened
DISCOUNT-LEDGER. } for each party; and the same bills which have previously been entered in the Registers are entered in these Ledgers; but the entry is much shorter. A full description of a bill is given in the Register only, and the register-number is placed as a reference in every book in which the bill may subsequently be entered. The entry in the Bill, or Discount Ledger, includes date when deposited or discounted, name of accepter, when due, and amount. In some banks the Discount-Ledger is kept upon the progressive plan, which is very useful, as it shows at once to what amount any party may be under discount. In addition to this, some banks place in the Discount Ledger an account of all bills they may have discounted, to which the party is an accepter. These bills are distinguished from those which have been discounted for the party himself, by being placed on the left-hand side of the page. This account is also kept on the progressive plan. A Discount-Ledger kept in this way will have three cash columns ruled on each side of the page: the three on the left-hand will be headed "Where Accepter," and the three on the right-hand will be headed "Where last Indorser." Between the two sets of columns will be entered, date when discounted, register-number, name of accepter or drawer, when due. The advantage of this plan is, that on turning to any party's account, you see at once the whole

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of his engagements to the bank, whether arising from bills that have been discounted for himself, or bills to which he is only the accepter.

3. BILL-JOURNAL. DISCOUNT-JOURNAL. — In these journals the bills are entered under the respective days on which they fall due. For this purpose, the day of the week, and of the month, is placed at the top of each page. This book may be made to last exactly a year, by having headings for every day, from the 1st of January to the 31st of December, omitting Sundays. The entry includes the register-number, name of depositor, or for whom it was discounted, accepter, and amount. The Discount-Journal has three cash columns, — one for the amount of each bill, another for the bills paid, and another for those unpaid. The entry is made in the first column, on the day the bill is discounted; and in the other two on the day the bills fall due. The total amount of bills paid each day is copied from the Journal into the received side of the Day-Book. Those unpaid are entered into the transfer column of the Day-Book, and in the Past-Due-Bill-Book. The Bill-Journal need only have one cash column, as most banks find it more convenient to credit their customers' accounts with all the bills on the day they fall due, and debit them on the following day for those that remain unpaid. Those banks, however, that prefer it, may have separate columns in the Bill-Journal for the paid and the unpaid bills; and, in that case, the unpaid bills are returned on the following day to the depositor, without being passed through his cash account. This is sometimes called being "entered short." Some banks make one book serve the purpose of both a Bill-Journal and a Discount-Journal; one page of the book being used as a Discount-Journal, and the opposite page being used as a Bill-Journal.

4. THE LISTS. — Each banking-house divides London into a certain number of districts, according to the extent of its business. Each district is called a walk, and usually takes its name from the direction in which it lies; as the East Walk, the West Walk, and so on. To each walk is assigned a book, in which is entered every day a *list* of the bills due in the walk; and hence the book is called a List. Each List takes its name from the walk to which it belongs; as the East List, the West List, &c. The page is divided into four columns, the first and third of which are cash columns. In the first column is entered the amount of the bill; in the second, the name of the accepter and the register-number. This is done the day before the bills are due. After the teller has returned from presenting these bills for payment in his walk, he "answers" each bill; that is, he places against it an account of the cash he has received for it, whether cheques, bank-notes, or money. The amount is entered in the third column; and, in the fourth, the description of each kind of cash. If the bill be not paid, he writes L. D. for "left direction," and then enters the bill in the "Unpaid List."

In the UNPAID-LIST are entered all the bills not paid when presented for payment. In the course of that day or the following, these bills are "answered," either by being paid, or by being passed to the debit of a customer's account, or by being transferred to the Past-Due-Bill-Book. In some banks the Unpaid-List is called the "TAKE-UP-BOOK."

Cheques upon other banks are entered in the Lists in the same way

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as bills, unless the bank sends a clerk to the Clearing-house, and then they are entered in the "Clearing-out-Book."

From this description it will be seen that when a sum is received to the credit of a current account, it is entered in the Received-Waste-Book, copied from thence into the Day-Book, and from thence into the Current-Account-Ledger. When a cheque is paid to the debit of a current account it is entered from the cheque itself into the Paid-Waste-Book, the Day-Book, and the Current-Account-Ledger.

When a sum is received for a deposit receipt, the sum is entered before the receipt is granted in the Deposit-Receipt-Book, and afterwards in the Receipt-Waste-Book and Day-Book. When a deposit receipt is paid, it must be discharged in the Deposit-Receipt-Book, then entered in the Paid-Waste-Book, and afterwards in the Day-Book.

When a bill is discounted, the discount is calculated by the accountant, who at the same time observes if it is drawn on a proper stamp, and is in every respect a regular and negotiable instrument. If the party for whom it is discounted have a current account, the full amount of the bill is placed to his credit, and he is debited for the interest. If he have no account, he is paid the amount minus the discount, and the entry is made in the Paid-Waste-Book. The bills discounted each day are entered individually in the Discount-Register, and the total amount copied into the Day-Book. The bills are also entered individually in the respective accounts in the Discount-Ledger, and under the days they fall due in the Discount-Journal. When these bills are due, the amount paid each day is entered in the Day-Book in the cash column, and the amount unpaid is transferred to the Past-Due-Bill account, and is entered in the Day-Book in the transfer column.

When a bill is deposited, it is entered in the Bill-Register, the Bill-Ledger, and the Journal. When due, it is placed to the credit of the party by whom it was lodged, and is copied from the Journal into the Day-Book, thence into the Current-Account-Ledger. If unpaid, the account is debited on the following day, and the bill is returned to the depositor.

At the commencement of each day, all the entries made the preceding day in the Day-Book are marked against the respective books by the accountant, or under his superintendence. He also marks the Cash-Book, and checks the adding up. The Customers' Books are then compared with the Current-Account-Ledger. The debit side of these books is usually written up the preceding evening from the vouchers by the tellers, or out-door clerks. The accountant writes up the credit side, and sees that both sides agree with the Current-Account-Ledger.

III. — *The Country Department.*

In this department is managed the business of the country banks, and of those customers who live in the country. When the letters are delivered in the morning by the postman, one clerk takes them and enters in the Waste-Book the *cash* inclosed in the letter to the credit of the respective parties. Another clerk takes the letters and enters the *bills* in the

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Country-Bill-Register, the Bill-Ledger, and the Bill-Journal. The letters are then handed to a third clerk, who copies off into a book all the *payments*, which are to be made immediately in cash. This book is usually called the Draft-Book, as the party receiving the money signs a draft for the amount, which is as good as signing a receipt. If the payment is to be made to a banker, he receives notice in a printed form, called a memorandum; but if the payment is ordered to be made to a private individual, he must call for it, and claim the exact amount. The following is the form sent to a banking-house. The right-hand side is filled up by the house to whom it is sent, and the memorandum is paid through the clearing.

London, December 1, 1834.

Messrs. Steady & Co.

Receive of [*the country bank*], *per Messrs. Hope, Rich, & Co., the sum of* £ 100.

On account of [*E. F., Esq.*]

London, December 1, 1834.

Messrs. Hope, Rich, & Co.

Pay E. F., Esq., or bearer, the sum of one hundred pounds, on account of [*the country bank*].

For Messrs. Steady & Co.

£ 100. *A Clerk.*

A fourth clerk now takes the letters, and enters all the *advices* (that is, bills *advised* to be paid when due) in the Advice-Book and in the Advice-Journal. The corresponding clerk who answers the letters usually manages the stock department. Hence he observes the orders to purchase or sell stock, to procure powers of attorney, and other business of that kind. When writing a reply to the letters received, he notices if all the items in the letters are marked by the proper clerks. If any thing is wrong, he is informed of it. Bankers' letters are usually short and plain, comprising only two or three lines. The following example includes all the ordinary topics: —

Messrs. Hope, Rich, & Co., *Bankers, London.*

Country Town, May 1, 1827.

Gentlemen, — Inclosed we remit you sixteen bills, value £ 1,750, and cash £ 250, making together £ 2,000 to our credit; and we subjoin a list of payments and advices, to be made to our debit. We will thank you to purchase £ 10,000 new Fours, in the name of James Wealthy, gentleman, of Stately House, near Prince Town; and forward us a power of attorney for sale, and dividends of £ 200 Consols, now standing in the name of Susan Thrifty, spinster, of this place. Please inform us of the respectability of Messrs. John Careful & Co., of Southwark, — they bank at Messrs. Steady & Co., Lombard Street. The bill you sent us to present here for payment has been paid, and we credit you £ 50, the amount. We herewith send you the signature of our relative, Mr. John Keen, who is going to London, and whose drafts to the extent of £ 3,000 we wish you to honor to our debit. On Mr. Keen's return, which will be in about a week or ten days, he will bring with him our paid notes.

We are, Gentlemen,
Your obedient Servants,
Keen, Busy, & Co.

[reply.]

Messrs. Keen, Busy, & Co., *Bankers, Country Town.*

London, May 2, 1827.

Gentlemen, — We have received your favor of yesterday's date, inclosing sundries, value £ 2,000, which we have passed to your credit, and note your lists of pay-

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ments and advices. We also credit you £1,476 16*s.* 6*d.*, per Messrs. Good & Co., on account of John Green. We have inquired of Messrs. Steady & Co., as to the respectability of Messrs. John Careful & Co., and are informed they are highly respectable. We now inclose a stock receipt for Mr. James Wealthy's £10,000 new Fours, £10,012 10*s.* to your debit; and also Susan Thrifty's power of attorney, for which we debit you £1 1*s.* 6*d.*; also a dishonored bill on Badluck, noted £100 1*s.* 6*d.*, to your debit; and your weekly cash account and monthly account current, which we trust will be found correct. We debit you £50 for the bill you had the goodness to present for us; and we now inclose another on White, £120, which we will thank you to get accepted and return. We have opened a credit in favor of Mr. John Keen for £3,000, and will forward your paid notes by him as requested.

We are, Gentlemen,
Your obedient servants,
HOPE, RICH, & Co.

Those London bankers who act as agents to banks, or to other parties in the country, will have occasion for the following books. The first seven are kept in the same manner as the corresponding books in the Town Department. All the entries in the Country Ledger, as well as those in the Town Ledger, must first pass through the Waste and Day-Books. The *credit* side of the Ledger is posted from the Bill-Journal and the Day-Book. The *debit* side is posted from the vouchers themselves, and, like the debit side of the Town-Ledger, will mark against the Paid-Day-Book and the "Clearing-in-Book."

1. A Country-Ledger.
2. Country-Bill-Register.
3. Country-Discount-Register.
4. Country-Bill-Ledger.
5. Country-Discount-Ledger.
6. Country-Bill-Journal.
7. Country-Discount-Journal.
8. Advice-Book. — In this book are entered an account of bills *advised* to be paid on account of the Country Banks. This book is kept ledger-wise, each bank having a separate account.
9. Advice-Journal. — This book is similar to the Bill-Journal, and it contains the *advices* under the heading of the days on which they are to be paid.
10. Credit-Book. — This book contains an account of the credit granted by a country bank in favor of any party. Each party has an account open for him in this book, and the amount of his credit is placed to this account. He is debited for such cheques as he may draw, and the cheques are then passed to the debit of the country bank in the Country-Ledger.
11. Acceptance-Book. — In this book are entered those bills which have been received from the country, and which require the acceptance of the party on whom they are drawn. The entry includes the date when taken out, the name and residence of the drawee, the register-number, and the amount. There are also two vacant columns, in one of which the clerk who takes the bill for acceptance enters his initials when he brings it back; in the second column are entered the initials of another clerk to whom the bills when "brought in from acceptance" are delivered. Though this book is connected with the country department, it is usually kept in the town office.

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12. Stock-Book. — London bankers have usually powers of attorney from their correspondents in the country, authorizing them to receive dividends on the government funds. All these are entered in a book called the Stock-Book. The book is divided into several parts for the different kinds of stock, as 3 per Cent. Consols, 3 per Cent. Reduced, &c., &c. In each division are entered the powers of attorney held by the bank. The entry includes date of the powers, names of the attorneys, names of the holders of the stock, and the amount. These entries should be made a tolerable distance apart from each other, to leave room to notice any alteration that may take place in the amount of the stock either by sales or new purchases.

Every country bank keeps an account with a London bank. The country banker receives from London a weekly statement of his cash accounts, and a monthly account current. The cash account is a copy of the London banker's ledger. But as the London banker does not consider as cash any thing which may not be immediately turned into Bank of England notes, the cash account does not exhibit a statement of the *undue* bills which the country banker may have remitted, nor of the bills which he may have advised to be paid. By means of a monthly account current he has a full view of all these transactions. On the credit side of the account current is entered the total amount of each remittance, whether it consists of bills or cash. These are followed by entries of "extra" sums of cash that have been lodged to the credit of the country bank by parties resident in London. On the debit side of the account current is placed the total amount of the "advices"; that is, of bills advised to be paid, and also any "extra" payments of "drafts" to persons in London. Then the account is balanced, and we have an easy check by which any error that may have crept into either the cash account or the account current is detected. For if both accounts be correct, the amount of advices not yet due, added to the balance of the account current, will be equal to the amount of bills not due, added to the balance of the cash account.

IV. — *The Note Department.*

Those banks that issue notes, will have occasion for

A Note-Register. — In which the denomination, number, and date of the notes will be entered when prepared for circulation. The total amount of notes, as soon as they are received from the stamp-office, or at least as soon as they are signed by the banker or manager, are entered to the credit of "note account," and are afterwards taken down daily as part of the "cash" in the possession of the bank. If the notes on hand be deducted from the balance of the note account, the remainder will show the amount of notes in circulation. Another way is to open an account for "Notes in Circulation," and to credit this account for the notes on hand every morning, and debit it for the notes on hand every night: the balance will show the amount of notes in circulation. There should also be a book for the "Register of Cancelled Notes," in order to keep an account of those notes which, having become unfit for further use, have

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been cancelled and destroyed. The notes when cancelled are placed to the debit of the "Note Account."

V. — *The Branch Department.*

In those banks that have branches, the head office keeps an account with each branch in the same way as a London banker keeps an account with a country bank. There is usually an additional "Bill-Register" for the bills payable at branches. Each branch has also two Bill-Registers, for the bills payable at head-office, and the bills payable at branches, and frequently another for the bills sent for collection to agents, where the branch does not remit all its bills to the head office, but direct to agents in other places in order to be collected. Every country banker has also similar Bill-Registers for "Bills payable in London," "Bills payable at Bristol, Manchester, &c.," as the case may be; and of course corresponding accounts must be opened in the General-Ledger.

There must also be a book for entering "Branch Notes paid." These notes may either be placed as the debit of the branch on the day they are paid, or they may be carried daily or weekly to the debit of an account to be called "Branch Note Account," and may be placed to the debit of the branch on the day they are sent home.

VI. — *The General-Ledger.*

Into this Ledger, under the various accounts, will be entered the totals of the corresponding headings or accounts specified in the Day-Book. The accounts in this Ledger denote the various classes of operations, and the balances show at all times the exact state of the bank. Every Saturday night the totals and balances of these accounts should be taken off on a balance-sheet. When all the debits are added together, and all the credits are added together, the two sides will agree; that is, they will be of the same amount. These balance-sheets may be printed and bound together in a book, to be called the "General-Balance-Book." I cannot better explain the General-Ledger than by giving the form of the weekly balance-sheet, with the names of those accounts which most banks have occasion to introduce. I have distributed these accounts into five classes: — 1. Lodgments; 2. Investments; 3. Expenditure; 4. Cash Account, with Branches; and 5. Proprietors' Accounts. Each bank, however, will open such accounts as are adapted to its transactions. Whatever books the business may render necessary will require to have corresponding accounts. The General-Ledger contains the summaries of all the other books. Thus, the account called "Current-Accounts" contains the summary of the Current-Account-Ledger. The account called "Deposit-Receipts" is a summary of the Deposit-Receipt-Book. The account called "Bills discounted" is a summary of the Discount-Register and the Discount-Journal. In this way every book in the office has a corresponding summary in the General-Ledger. Hence, this book is a check upon all the other books; and by means of these summaries, the partners or directors of a bank can see at once the actual state of their affairs, and can trace the progress or decline of different branches of their business.

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THE _____ BANKING COMPANY.

Amounts and Balances of the GENERAL LEDGER *on* _____

Amounts. Dr.	Balances. Dr.	Titles of Accounts.	Ledger Folio.	Balances. Cr.	Amounts. Cr.
		I. LODGMENTS.			
		London Current Accounts.			
		Country ditto.			
		Deposit Receipts.			
		Bills Deposited (in London).			
		Ditto (from the Country).			
		Notes in Circulation.			
		Credits on Agents.			
		II. INVESTMENTS.			
		Bills Discounted (in London).			
		Ditto (from the Country).			
		Past-Due Bills.			
		Government Stock.			
		East India Bonds.			
		Exchequer Bills.			
		Loans to Customers.			
		Ditto to Brokers.			
		Interest Account.			
		III. EXPENDITURE.			
		Bank Premises.			
		Rent.			
		Taxes.			
		Salaries.			
		Stationery.			
		Incidental Expenses.			
		Law Expenses.			
		IV. CASH ACCOUNT, WITH BRANCHES.			
		Branch A.			
		Branch B.			
		Branch C.			
		Branch D.			
		V. PROPRIETORS' ACCOUNTS.			
		Paid-up Capital.			
		Preliminary Expenses.			
		Dividend Account.			
		Unclaimed Dividends.			
		Surplus Fund.			
		Profit and Loss.			
		Fund for Bad Debts.			
		General Account of Cash.			

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It will be observed, that the accounts introduced into the preceding balance-sheet are such as would be necessary to a London bank that had country agencies and branches, and issued notes. No such bank exists. But I have introduced all these accounts that each bank may take those which are adapted to its transactions. It will also be observed, that I have kept the country business distinct from the town business; so that the comparative extent of each may be immediately perceived. I have introduced cash columns for the *amounts* as well as the *balances;* for although the balances are sufficient to show the actual state of the bank, yet the amounts are necessary to show the business that has been done since the previous half-yearly balance.

1. The first class of accounts, under the head of LODGMENTS, are all credit accounts; that is, the balance is on the credit side.

CURRENT ACCOUNTS are those which are usually kept by the London bankers, and are called by the Bank of England "Drawing Accounts." DEPOSIT RECEIPTS are more permanent lodgments, upon which the joint-stock banks allow interest. The account "BILLS DEPOSITED," not being a cash account, might be omitted without deranging the balance of the General-Ledger. If introduced, its balance must be placed on both sides the balance-sheet, or the totals will not agree. The General-Ledger is no check upon the accuracy of this account. It should therefore be checked periodically, by taking off the daily amounts current from the Journal, and comparing the total with the balance of "Bills Deposited in the General-Ledger."

Some banks distribute their bills deposited into several accounts, as "Bills Deposited by Agents," "Bills Deposited by Branches," "Bills Deposited by Private Parties," &c., &c. On the debit side of the General-Ledger these "bills deposited" are mixed with the bills discounted in different accounts, according to the places where the bills are payable, as "London Bills," "Manchester Bills," "Branch Bills," &c. Those deposited bills that are payable in the place where the bank is established, are usually distinguished from the discounted bills; one account being called "Local Bills Discounted," and the other, "Local Bills Deposited."

NOTES IN CIRCULATION. — When the notes are made payable at any other place beside the place of issue, this account will only show the "apparent circulation," as the notes that have been paid by the agents, or at the other branches of the bank, cannot be brought into the account until they have been returned for re-issue. I have classed this account under the head of Lodgments, because it denotes a portion of the debt due from the bank to the public.

CREDITS ON AGENTS. — When a bank grants a Bill, or Letter of Credit, upon their agents, the money received is placed to the credit of this account. When the bill is due, or the credit paid, it is placed to the debit of this account, and to the credit of the agent's cash account. The business of some banks requires a subdivision of their credits, as "Credits on London Agents," "Credits on Bristol Agents," &c. Some banks have also an account for "Credits on Branches"; but where all the credits granted are payable on demand, they are usually placed at once to the credit of the cash account of the branch on which they are drawn.

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2. INVESTMENTS. — The accounts belonging to this class are all debit accounts; that is, the balance (if any) is always on the debit side.

In the foregoing balance-sheet it is presumed that all the bills are payable in London, as the London bankers do not discount bills payable elsewhere. The division into two accounts is merely to show the comparative extent of the town and the country business. The first account includes the bills discounted for parties resident in London, and the second includes the bills discounted for parties resident in the country. Where the bills are payable at different places, they are referred, as I have already intimated, to different accounts, as "London Bills," "Bristol Bills," "Manchester Bills," &c. It is not usual, in these cases, to distinguish between the bills discounted and the bills deposited, but to place them together on the same account; for instance, the account "London Bills" would include all bills payable in London, whether discounted or deposited. If thought proper, however, they may be easily divided into separate accounts, as "London Bills Discounted," and "London Bills Deposited."

PAST-DUE-BILLS. — When a discounted bill is not paid, it is transferred to the debit of this account. "Bills deposited" never pass into this account; but if unpaid, are returned to the parties by whom they were deposited.

When the bank purchases "Government Stock," "Exchequer Bills," "India Bonds," &c., the purchase-money is passed to the debit of an account raised for the purpose. Upon re-sale, the account is credited for the money received, and the difference between the money invested and the money received is passed, at the end of the year, to the debit or the credit of profit and loss account.

LOANS. — This account is debited for the amount of any loan granted to a customer, or to any other party, on security. When a customer wants a temporary advance, the usual way, in London banks, is, not to let him overdraw his account, but to place to his credit the sum he may require, and debit the loan account. The interest is charged upon the full amount of the loan. When the loan is repaid, this account is credited.

3. EXPENDITURE. — The accounts under this head require little explanation. "Bank Premises" is debited for the expense of altering, painting, &c., the buildings and offices connected with the bank. The other accounts are debited for the different classes of expenditure as they occur. At the end of the year these accounts are credited, and the several amounts are placed to the debit of "profit and loss account."

4. CASH ACCOUNT WITH BRANCHES. — The title of this class of accounts is sufficiently explanatory. I will only observe, that in some banks each branch keeps a distinct cash account with every other branch, and with the several agents of the bank with whom it may have transactions. But, in other banks, each branch passes all its transactions through its cash account with the head office. It debits the head office for whatever it may remit to either a branch or an agent, and it credits the head office for whatever sums it may receive from a branch or an agent.

5. PROPRIETORS' ACCOUNTS. — This class of accounts refers to the internal operations of the bank.

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PAID-UP CAPITAL. — If the capital has been paid up at different times, this account may be divided into "First Instalment," "Second Instalment," "Third Instalment," &c.

PRELIMINARY EXPENSES. — Several joint-stock banks have passed to an account of this sort the expense of forming the company; and these expenses are discharged out of the profits, by equal portions, in the course of five or ten years. This is considered a more equitable mode than to pay these expenses out of the profits of the first two or three years.

SURPLUS FUND. — When the whole of the annual profits are not divided among the partners or proprietors, the surplus is transferred to an account, called "Surplus Fund," where it remains for the purpose of being applied to meet any losses or contingencies that may occur in after years.

PROFIT AND LOSS. — To the credit of this account is placed all interest and commission received; and to the debit is placed all interest paid. These entries are made at the time the transactions occur. At the end of the year this account is credited for all the profits that have been made during the year upon Government Stock, Exchequer Bills, &c., and is debited with the several items of expenditure. The Profit and Loss Account may be subdivided into several accounts, as "Interest Received on Bills Discounted," "Commissions Received," "Interest paid on Deposit Receipts," "Charge for Agency," &c., &c. When it is not thus divided, a complete abstract of the account should be made out at the end of the year.

GENERAL ACCOUNT OF CASH. — The introduction of this account makes the General-Ledger a perfect check upon the other books. For by this means the total of all the balances of the debit side of the General-Ledger are equal to the total of all the balances of the credit side. To the *debit* of this account is passed, every day, the total amount of the *credit* side of the Day-Book; and the account is *credited* for the amount of the *debit* side of the Day-Book; consequently, the balance of this account will be always on the debit side, and will be equal to the difference between the sum of all the other debit balances, and the sum of the credit balances; that is, it will show the amount of cash in the bank. The General-Ledger is always kept on the progressive plan (see page 158), so that the balance of any account can be seen upon inspection; and its progress from any past period can be distinctly and readily traced.

VII. — *Periodical Balances.*

DAILY BALANCE. — It is well known that bankers try their balance at the close of their business every night, with a view of correcting any errors that may have occurred during the day. The process is very easy. If to the amount of the Cash-Book last night, we add the amount of the cash received to-day, and deduct the amount of the cash we have paid, the remainder will be the amount of the Cash-Book to-night. If, on trial, we find this is not the case, there must be some error. Suppose, for instance, the Cash-Book last night amounted to £ 100,000, and we have received £ 40,000 and paid £ 50,000 to-day, then will the Cash-Book to-night amount to £ 90,000. The trial stands thus: —

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Cash-Book last night . .	£100.000	Paid-Day Book . . .	£50.000
Received-Day-Book . . .	40,000	Cash-Book to-night . .	90,000
	£140,000		£140,000

The daily balance, therefore, is nothing more than the balance of the Day-Book; and the only books employed are the Day-Book and the Cash-Book. But as these books, when finally closed, include the amount of several other books, the trial is usually made (for the purpose of avoiding alterations) on a half-sheet of paper, called the trial paper, previous to those entries being made, and then the amounts of these several books are stated separately, in the following manner: —

Dr. BANKING HOUSE. *Cr.*

Amount of Cash-Book last night [This is usually called the Rest.]	Amount of Paid-Day-Book .
Do. of Received-Day-Book .	Do. of Clearing-in-Book* .
Do. of Bill-Journal . .	Do. of Balance * of the Clearing . . . . .
Do. of Discount-Journal .	Do. of Cash-Book to-night .
	Do. of Balance of Money-Book . . . . .
	Do. of Discount-Register .

The balance of the clearing† is always to the credit of the house; for, if the clearing "takes out," then the bank notes paid away at the Clearing-house are entered in continuation of the clearing-out; so that, in this case, the balance is usually thrown a small sum on the other side. When the clearing is finally closed, the notes forming this balance are entered in continuation of the clearing-in, and subsequently in the Cash-Book. The notes entered in the clearing-out are, of course, not entered in the Cash-Book.

Weekly Balances. — The daily balance checks the Waste-Books, the Discount-Register, the Journals, the Day-Books, the Lists, and the Money-Books. If any errors occur in any of these books throughout the day, the balance will be wrong. But the daily balance does not check the Current-Account-Ledger, though this is the most important book of all. The Ledger is therefore "marked off" every morning against the Day-Book, the Bill-Journal, and the Clearing-in-Book: but this is not a sufficient check. Hence the balances of all the accounts in the Current-Account-Ledger should be taken off weekly in a book called the Current-Account-Balance-Book, and added together, and the amount made to agree with the balance of "current accounts" in the General-Ledger. This is usually done by the London bankers quarterly or half yearly. When the Ledger is kept on the progressive plan, it may be done weekly without much trouble. The "Current-Account-Balance-Book" should be ruled so that the names of the parties having accounts may be placed under one another at the left-hand, and all the rest of the left-hand page, and the whole of the right-hand page, divided into double cash columns:

* When a bank does not "clear" these items are of course omitted.

† For an account of the books in the clearing department, see the section on London Bankers.

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one column for the balances of the accounts when in cash, and the other for the balances overdrawn. On this plan it will not be necessary to write the names more than once in seven weeks.

In the same way the balances of the Discount-Ledger should be taken off weekly in the "Discount-Balance-Book." The balances of the General-Ledger are also taken off weekly in the "General-Balance-Book" in the way I have already described.

HALF-YEARLY BALANCE. — The weekly balancing of the Ledger does not preclude the necessity for a half-yearly balance. The usual days for balancing are the last days of June and December. Some banks, however, balance on the *last Saturday* in June and December, and others on the 30th of June and on Christmas-eve. On the balancing day the following operations are passed through the books: — 1. The current accounts will be debited for any interest or commission that may be due from the party to the bank. — 2. The Current-Account-Ledger will be balanced, and the balance will be brought down as the commencement of the transactions of the ensuing half-year. — 3. The customers' books must be balanced, and made to agree with the Current-Account-Ledger. 4. The interest due upon the outstanding deposit receipts must be calculated, and the sums added together. — 5. The General-Ledger must be balanced, and at the December balance the amount standing to the debit of the several classes of expenditure must be passed to the credit of those accounts, and to the debit of profit and loss account, and the several sums of profit that have been realized upon Government stock, India bonds, &c., are transferred to the credit of profit and loss account.

For each half year a book must be provided to be called the Half-Yearly-Balance-Book. This book will contain the following entries: —

1. A balance-sheet showing the balances of the respective accounts in the General-Ledger in the same way as the weekly balance sheet. 2. A debtor and creditor balance-sheet, showing the exact condition of the bank. — 3. An abstract of the profit and loss account, viz: —

Abstract of Profit and Loss Account, from Jan. 1, to Dec. 31.

Dr.				*Cr.*			
To Bank Premises . . .				By Interest on Bills discounted			
Furniture				By Interest on Loans .			
Rent				By Commission on Current Accounts			
Salaries				By Profit on Exchequer Bills, &c.			
Stationery							
Incidental Expenses .	—	—	—		—	—	—
Total Expenses							
Loss on bad bills, &c. . .							
Balance in favor of the Bank							
	—	—			—	—	—

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4. A list of all the balances of the current accounts.
5. A list of all the outstanding deposit receipts, and the interest due upon each.
6. A list of all discounted bills *current*, i. e. bills not yet due.
7. A list of all deposited bills current.
8. A list of all other securities, distinguishing those that belong to the bank from those that are lodged by its customers.

At the end of the year the final balance of the profit and loss account is transferred to other accounts according to the purposes to which it is to be applied. If intended to be held as a "surplus fund," it is transferred to that account. If intended to be divided among the proprietors, it is transferred to a "dividend account," which is raised for that purpose. If the balance of the profit and loss account should be against the bank, then it must remain "on the wrong side" until further profits shall turn the balance the other way.

Besides the books connected with the business of banking, every joint-stock bank will require,

1. A SHAREHOLDERS'-REGISTER. — In this book the names of the shareholders are entered chronologically in the order in which they become shareholders. The entry includes the date, the name, residence, number of shares, and sum paid.

2. TRANSFER-REGISTER. — In this book are entered the transfer of shares from one proprietor to another. The entry includes date of transfer, from whom transferred, residence, ledger-folio, to whom transferred, residence, purchase-money, and transfer stamp.

London, the . . day of . 18

To the Directors of . . . Banking Company.

Gentlemen,

Please to prepare the necessary document for transferring . . Shares, from the name of . . . . . of . . . . . to . . . . . of . . . . . the consideration for which . . . . . Shares is £ . . . . . Broker, of . . . . . .

If a proprietor in a joint-stock bank wishes to dispose of his shares, he directs a stock-broker to sell them in the market. After the sale the broker gives notice to the directors of the bank in the preceding form. The deed of transfer is then made out according to a printed form prepared by the bank. This agreement is liable to a stamp duty, varying according to the amount of the purchase-money. When shares are transferred for a nominal consideration, say five or ten shillings, the stamp duty is thirty shillings.

The debtor and creditor balance-sheet will contain the same amounts as the balance-sheet of the General-Ledger (see page 166), but differently arranged. They may be disposed according to the following form: —

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Statement of the Affairs of the Bank, on _____

Dr. THE _____ BANKING COMPANY.							*Cr.*							
DUE TO THE PUBLIC ON CURRENT ACCOUNTS.							DUE TO THE BANK ON OVERDRAWN ACCOUNTS.							
Head Office, Town . .							Head Office, Town . .							
Ditto, Country . . .							Ditto, Country . .							
Branch A.							Branch A.							
Branch B.							Branch B.							
Branch C.							Branch C.							
							Total Overdrawn Acct's.							
Total Current Accounts .							BILLS DISCOUNTED.							
							Head Office, Town . .							
							Ditto, Country . .							
DEPOSIT RECEIPTS.							Branch A.							
							Branch B.							
Head Office							Branch C.							
Branch A.														
Branch B.							Total Amount of Bills Discounted . . .							
Branch C.														
							LOANS.							
Total Deposit Receipts .							Head Office							
							Branch A.							
							Branch B.							
							Branch C.							
							Total Amount of Loans							
Notes in Circulation . .														
Credits on Agents . . .							INVESTMENTS.							
							Government Stock . .							
Total Lodgments . . .							Exchequer Bills . . .							
							India Bonds							
							Other Investments . .							
INTEREST ACCOUNT.							Total Investments . .							
							Total available Assets .							
Head Office							EXPENDITURE.							
Branch A.							Head Office							
Branch B.							Branch A.							
Branch C.							Branch B.							
							Branch C.							
Total Amount of Interest.														
							Total Expenditure . .							
FUND FOR BAD DEBTS.							PAST-DUE BILLS.							
							Head Office							
Head Office							Branch A.							
Branch A.							Branch B.							
Branch B.							Branch C.							
Branch C.														
							Total Amount of Past-Due Bills							
Total Amount of Fund for Bad Debts . .														
							SUNDRY ACCOUNTS.							
							Stamp Account . . .							
PAID-UP CAPITAL							House Account . . .							
							Ditto Branch A. . .							
							Ditto Branch B. . .							
							Ditto Branch C. . .							
SUNDRY ACCOUNTS.							Total							
							GENERAL ACCOUNT OF CASH.							
Forfeited Shares . . .														
Dividends.							Head Office							
Unclaimed ditto . . .							Branch A.							
Surplus Fund							Branch B.							
Profit and Loss							Branch C.							
Total Sundry Accounts .							Total amount of Cash .							
Total							Total . . .							

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The following is the scale of stamp duties upon the transfer of shares in joint-stock banks: —

When the purchase money is under	£ 20	£ 0	10
For £ 20 and under	50	1	0
50	150	1	10
150	300	2	0
300	500	3	0
500	750	6	0
750	1,000	9	0
1,000	2,000	12	0
2,000	3,000	25	0
3,000	4,000	35	0
4,000	5,000	45	0
5,000	6,000	55	0
6,000	7,000	65	0
7,000	8,000	75	0
8,000	9,000	85	0
9,000	10,000	95	0

The bank charges a fee of one shilling per share upon five shares or above for making the transfer, and two shillings and sixpence per share for any number less than five shares. Where there is no pecuniary consideration the charge is ten shillings for each transfer.

3. Proprietors' Ledger. — In this ledger each proprietor has an account open, in the same way as in a cash-ledger. He is credited for the number of shares; and an entry is made of the different instalments he may pay. When he sells or transfers his shares, he is debited the shares, and they are placed to the credit of the party who may have purchased them. The entry includes the date, number of register, calls and transfers, number of shares, and amount.

III. We shall now consider those improvements of which the above system is capable, so as to render it more efficient in large establishments.

As a bank increases its business, it becomes of importance to improve its system of book-keeping, and to adopt means of increasing the efficiency of its clerks. A large establishment can generally be conducted with a less *proportionate* number of hands than a small one. It admits of a more extensive application of the principle of a division of labor. In a small bank, one clerk may keep two or three books of various kinds, or perhaps act as both cashier and accountant. But in a large bank, each clerk is in general kept wholly to one employment. The effects of this separation of occupations is the same in banks as in manufactories; and the description of these effects given by Adam Smith will equally apply to both cases.

"The great increase in the quantity of work which, in consequence of the division of labor, the same number of people are capable of performing, is owing to three different circumstances; first, to the increase of dexterity in every particular workman; secondly, to the saving of time which is commonly lost in passing from one species of work to another; and lastly, to the invention of a great number of machines which facilitate and abridge labor, and enable one man to do the work of many."

The increase of dexterity by constant practice is very observable in

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the practice of "casting up." A clerk who is much accustomed to this operation will cast up a long column of figures with singular quickness and accuracy. It is also very observable in "calling over." Besides, owing to the abbreviations we have mentioned in p. 152, a clerk in calling over will speak so rapidly that an unpractised ear will hardly be able to follow him. Mr. Babbage gives the following instance of great dexterity acquired by practice: —

"Upon an occasion when a large amount of bank notes was required, a clerk in the Bank of England signed his name, consisting of seven letters, including the initial of his Christian name, five thousand three hundred times during eleven working hours, and he also arranged the notes he had signed in parcels of fifty each."

The loss of time in passing from one operation to another is as obvious in mental processes as in those which are purely mechanical.

"When the human hand or the human head has been for some time occupied in any kind of work, it cannot instantly change its employment with full effect. The muscles of the limbs employed have acquired a flexibility during their exertion, and those to be put into action a stiffness during rest, which renders every change slow and unequal in the commencement. A similar result seems to take place in any change of mental exertion; the attention bestowed on the new subject is not so perfect at the first commencement as it becomes after some exercise." *

The invention of expedients for facilitating and abridging labor is also as common in a bank as in a manufactory.

Mr. Francis has recorded, in his History of the Bank of England, a variety of improvements introduced into that establishment by Mr. William Rae Smee, a son of the chief accountant.

He proposed an alteration in the cheque office, by which he stated that the work which employed three principals and twenty-one clerks would be done more effectually by two principals and seven clerks. In the circulation department, the posting which formerly took fifty now employs only eight clerks. And the whole of that department, if now conducted upon the old system, would probably require nearly eighty additional assistants. In the National Debt Office Mr. Smee introduced such measures that "the directors were enabled so far to consult the accommodation of the public as to enable the transfers in the various offices to be made eight or nine days later than usual, the business which formerly occupied about thirty-two days being accomplished in about twenty-three." †

Similar improvements have been introduced into commercial book-keeping.

"The old method of journalizing and posting each transaction separately, unnecessarily swells the accounts in the ledger with a multiplicity of figures, which greatly increases the difficulty of balancing, and, to say nothing of extra labor and loss of time, the liability to error is always in proportion to the number of entries, and *vice versâ*. If a hundred sums are posted when one would answer, then a hundred chances of error are incurred where only one was necessary; and in the event of an error in adjusting the accounts, a hundred entries must be called over and examined, instead of one. (*Double Entry Elucidated*, by B. F. Foster, p. 18.)

* The Economy of Machinery and Manufactures, by Charles Babbage.

† History of the Bank of England: its Times and Traditions; by John Francis. Vol. II. p. 141.

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The expedients introduced to improve any system of book-keeping have for their object either the saving of time *directly* by abbreviating the entries, or to save time *indirectly* by new modes of preventing or detecting errors. And it may be observed, that a minute alteration, hardly worthy of being adopted in a small bank, where it would save but a few minutes a day, may be very properly adopted in a large establishment, where the time saved would be in proportion to the greater extent of business. Sometimes an entry may be shortened by omitting some of the particulars. Thus, where we have been accustomed to enter with every bill, the name of the last endorser, the drawer and his residence, the acceptor and his residence, the date, term when due, and the amount, we may properly, perhaps, omit some of these items. Or where we have repeated the same entry in several books, we may enter it in fewer books, or, perhaps, make the individual entries in only one book, and enter the total amount in the others, or, at other times, the whole form of a book may be changed, and we may, by a new arrangement, obtain the same results more clearly and in less time. Almost every bank will occasionally make some alteration of this kind as its business may require. And even each accountant has usually some little expedients of his own for facilitating his daily operations. We will notice a few of those amendments that have been adopted with the view of saving time and labor in some of our banking establishments.

Some large banks have adopted "the horizontal system of book-keeping," which is in some respects an improvement on the systems described in the former editions of this work. The chief difference is in the mode of ruling the Received and the Paid-Waste-Books.

The Received-Waste-Book, instead of being ruled as described in p. 155, has *four* cash columns, three at the left hand as you face the book, and the fourth at the right hand, with a space between the third and the fourth. The different items of a credit entry, instead of being placed under one another, as in the former system, will be placed separately in the first three columns, and the total in the fourth column. Thus, if a sum of £543 10*s*. 7*d*. be received from Mr. Smith, and this sum consists of £3 10*s*. 7*d*. in coin or money, £100 in a Bank of England note, and £440 in a cheque on Jones, Loyd, & Co., the entry will stand thus: —

Money.			Bank Notes.	Sundries.			Name.	Total.		
£	*s*.	*d*.	£	£	*s*.	*d*.	Smith.	£	*s*.	*d*.
3	10	7	100	440	0	0	Jones, Loyd, & Co.	543	10	7

Thus it is seen that the first column is for money, the second column for bank notes, and the third column for "sundries," that is, for all other articles; and these three columns are added together "horizontally," and the total brought out into the fourth cash column at the right hand. It will be observed, that the cashier has to add the items together, not long-

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ways, but cross-ways, — not longitudinally, but "horizontally." After a little practice, one way is just as easy as the other.

Some cashiers prefer having two columns only at the left hand, and two at the right hand, with the space between the second and third column; as the numbers of the bank-notes, and the names of the bankers on whom the cheques are drawn, can then be placed on the same line; but this is not a matter of much consequence.

Now, if you "cast up" the first left-hand column, you will have at the close of the day the total amount of money, that is, coin, received during the day. If you cast up the second column, you will have the total amount of bank notes. The third column will give the total amount of "sundries." And the amount of these three columns together will be equal to the fourth column, containing the total amount of the credits. If this should not be the case, there must be some error, which must be discovered forthwith. Thus the horizontal Received-Waste-Book is a check upon itself. As soon as the cashier gets to the bottom of a page, he casts up his book, and sees that the three columns are exactly equal to the fourth. Thus he keeps his book right as he goes on. Whereas, in the former system, any error in the Received-Waste-Book would not be discovered till the General Balance was tried at the close of business, and not then, perhaps, until after a long course of "marking off."

To simplify my explanation, I have described the Received-Waste-Book as having only four cash columns, and these are perhaps enough for a small bank. But large establishments have sometimes seven or eight, perchance in the following order: — 1. Money, *that is*, coin. 2. Bank-notes. 3. Parcels of bank-notes, called sundries. 4. Country notes. 5. Checks on clearing bankers. 6. Checks on bankers who do not clear. 7. Checks on our own bank. —— a space. 8. The total amount of the credit.

The horizontal Paid-Waste-Book is ruled with three cash columns; one to the left for the amount of the cheque paid; then an open space for the name; then a column for the bank-notes; and another for the money, that is, coin. The London bankers do not pay away any bills or country notes in exchange for cheques, but only Bank of England notes and coin. The entry stands thus: —

Amount of Cheque.			Name, and No. of Bank-Note.		Bank Notes.	Money.		
£	*s.*	*d.*	White.	1473.	£	£	*s.*	*d.*
101	4	3			100	1	4	3

The amount of the columns containing the bank-notes and the money will of course be equal to the column containing the amount of the cheques. And thus this Paid-Waste-Book contains a check upon itself.

The horizontal Paid-Waste-Book may have at the left hand two cash columns, one for the town and the other for the country departments, and also a separate column for the country notes; thus: —

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Town.			Country.			Country Notes.	Name.	Bank Notes Paid.	Money.		

This prevents the necessity for having both a Town and a Country Paid-Waste-Book, while the two departments are still kept distinct. The country notes are also separated, and can be checked by themselves. When all are added together, the total of the three columns at the left must be equal in amount to the total of the two columns at the right hand. The articles paid must be equal to the bank-notes and money which were issued in payment.

We shall now point out some of the advantages of the horizontal system of keeping the Waste-Books.

First. As all the receipts and payments of money, that is, coin, are entered individually in the Received and Paid Waste-Books, and the amounts added together, it will not be necessary that these sums be copied individually into the Money-Book. The total amount only of each column is entered in the Money-Book at the close of the day's business, and the Money-Book is balanced. Thus, all the time employed in making the entries individually in the Money-Book is saved.

Secondly. As all the credits to current accounts are added together in the Received-Waste-Book, it is not necessary they should be entered individually in the Day-Book. They can be individually posted direct into the Ledger, and the total only be entered in the Day-Book. The same remark will apply to the Paid-Waste-Book. This is another saving of time and labor.

Thirdly. Every Waste-Book, as we have already intimated, is a check upon itself. We have spoken of a Received-Waste-Book and a Paid-Waste-Book as though a bank had but one, and in small banks this is the case. But in large banks there are seven or eight cashiers or more, each having a Received-Waste-Book and a Paid-Waste-Book for the town department, and another Received-Waste-Book and Paid-Waste-Book for the country department, with a Supplementary-Received-Waste-Book, and a Supplementary-Paid-Waste-Book, and a Money-Book besides. Now, it is a great advantage to have the means of keeping all these books free from errors during the day, and to know at night that they are all correct. If the "Balance" be wrong, the field of inquiry is thus very much limited, and the time that would otherwise be employed in checking the Waste-Books is devoted to the examination of the other books of the bank.

Fourthly. This plan gives the means of checking separately those items that have a column appropriated to them. Take, for example, the column of Bank-notes. If we add to the amount of bank-notes on hand last night the amount received to-day, and deduct the amount paid away, the remainder should be the amount on hand to-night. When this is the case, the bank-notes are right. In the same way we may check the

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money columns, the clearing columns, &c. Thus, when the trial balance is wrong, we can check these items separately, and thus more readily discover the error. Without this expedient, we should have to "mark off" the whole business of the day.

It will be observed that the above Waste-Books refer only to receipts and payments on current accounts. All other receipts and payments are entered in a Supplementary-Receipt-Book and a Supplementary-Paid-Book. These books are ruled in the same way as the other Waste-Books, and they embody entries in connection with deposit receipts, received or paid, credits or debits to interest accounts, debits to salaries, taxes, incidental accounts, &c., &c. All these items are then entered in the Day-Book, from whence they are posted into the General-Ledger. A book is also provided, usually called a Transfer-Book, in which are entered all the cheques on the bank paid in by other customers, as these merely cause a *transfer* of the amount from one customer to another.

Books which are designed chiefly as registries or summaries should be kept on the horizontal system. Thus, a London bank which keeps an account with the Bank of England, will have to lodge to its credit notes, gold, silver, post-bills, cheques, dividend warrants, &c.

To keep a registry of this, a book may be opened horizontally, — the first column at the left hand being the date, and then these words being entered over separate columns, at the top of the page; afterwards a column for the total amount of all these items, then a credit column for the cheques drawn each day, and then the daily balance. If this book be made of such a size as to contain about thirty lines, then each page will contain the transactions of a month. And, by adding up the columns, the figures at the bottom of the page will show the separate amounts of notes, gold, silver, &c., paid into the Bank of England in the course of a month. By comparing the different pages, it will be seen on what months the largest or the smallest sums are paid into the bank.

In constructing tables, it is also best to follow the horizontal system. Thus, to keep a record of the weekly returns of the Bank of England, it is best to arrange the items into columns, with the heading at the top of each column, the first column containing the dates of the several returns. It will then be easy to trace the fluctuations in any one item; such, for instance, as the "Public Deposits," the "Private Deposits," the "Rest," &c. Some of the Returns published in the Appendix to the Parliamentary Evidence of 1847 have been arranged on this principle.

We will now notice some further improvements that have sometimes been adopted by large banks in their system of book-keeping. The great object of all these improvements is, as we have already mentioned, either to save time directly, in making the entries, or indirectly, by preventing or discovering errors. These are, —

1. The abolition of the Discount-Register. Here the bills are entered at once in the Discount-Ledger, under the names of the respective parties for whom they are discounted; and the total amount of bills discounted each day is entered in the Day-Book, from the Interest-Book, which contains the calculations of discount. The only objection to this plan is, that the space in the Discount-Ledger does not admit of so full a description

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of the bill as is usually given in the Discount-Register. The Bill-Register is also abolished in the same way.

2. The adoption of a Check-Ledger facilitates the discovery of errors, and thus diminishes the time employed in searching for them. Though this book is called a Check-Ledger, it is not kept ledger-wise. It is ruled with a cash column on each side the page. In the column opposite your left hand you enter, from the cheques themselves, all the cheques paid during the day. In the right-hand column you enter from the Received-Waste-Books all the credits of the day. When you add up these two columns, they will of course agree with the amounts of the Paid-Waste-Book and the Received-Waste-Book. Thus the accuracy of the Check-Ledger is insured. Now, where the balances of the Current-Account-Ledger are checked every week, you employ the Check-Ledger to test their accuracy in this way. If to the amount of the balances of the Current-Account-Ledger last week, you add the total credits entered in the Check-Ledger during the week, and deduct the total debits entered in the Check-Ledger during the week, the remainder will show the total amount of the balances of the Current-Account-Ledger for the present week. Each Current-Account-Ledger will have a Check-Ledger, and thus each Ledger will be checked separately, so that when the total balance is wrong, it will at once be seen in which Ledger the error has occurred.

Time is sometimes lost by a clerk taking up the wrong book, opening it, putting it down, and then taking up the right one. A cashier, for instance, will sometimes take up the Paid-Waste-Book instead of the Received-Waste-Book. To prevent this, the two books may have covers of different colors, — one white, the other green. Time may be lost by two clerks wanting the same book at the same time. The ledger-keeper may want to post from the Received-Waste-Book when the cashier is using it. To prevent this, there may be two sets of Waste-Books, — one for Mondays, Wednesdays, and Fridays, and the other for Tuesdays, Thursdays, and Saturdays; and, to prevent mistakes, the names of the days should be written in large letters on the covers of the books.

IV. We will now make a comparison between the system of Book-keeping practised by Merchants, and that practised by Bankers.

The merchants have their Waste-Book, Journal, Ledger. The bankers have their Waste-Book, Day-Book, Ledger.

In both cases, the Waste-Book is the book in which transactions are first entered. But this book is capable of subdivision: it contains a record of various transactions, some of which may be entered in separate books. Bankers have their Received, Paid, and Supplementary Waste-Books; also their Deposit-Receipt-Book, Discount-Registers, and other books subsidiary to the Waste-Book. So, merchants have their Waste-Book subdivided into various books, according to the nature of the transactions. There is the Invoice-Book, containing an account of all goods purchased; the Sales-Book, containing an account of all goods sold; a book for "Bills Receivable," containing a list of all bills in the merchant's hands, which when due he will *receive;* another for bills payable, containing a list of all bills he has accepted, and which when due he will have to pay;

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a Cash-Book, containing an account of all cash he receives or pays away; and several others, varying according to the character and extent of the business. Now all these subdivisions of the merchant's Waste-Book resemble those of the banker's in two things — first, they are all kept *chronologically* — they contain a record of the transactions in the order of time in which they occurred: and, secondly, all the transactions thus recorded must afterwards, upon the system of double entry, pass, either individually or in totals, through the book which merchants call a Journal, and bankers call a Day-Book.

The words "Journal" and "Day-Book" have the same meaning; and in this instance the use of the two books is similar. But in the merchant's Journal individual transactions may be entered, while in the banker's Day-Book they are always entered in totals. Thus the total amount of "Bills Discounted," and the total amount of credits and payments on current accounts, are entered in the Day-Book, but not the individual items. Another difference is, that over each entry in the merchant's Journal you state to what account it is to be posted; for every entry is posted to two accounts — to the debit of one account, and to the credit of the other. And this is denoted by Dr. being placed before the name of the account to be debited. Thus, if a merchant buys some goods for ready money, the Journal entry is preceded by

Goods Dr. to Cash;

implying that the account "Goods" is to be debited, and the account "Cash" to be credited. On the other hand, if he sells goods for ready money, the transaction will be journalized thus,

Cash Dr. to Goods.

If he sells goods upon credit to John Brown, it will be,

John Brown Dr. to Goods.

If he sells goods for a bill of exchange, it will be,

Bills Receivable Dr. to Goods.

If he sends goods abroad as a speculation, in the ship *Adventure*, he may raise an account for the ship, and say,

Ship Adventure Dr. to Goods.

The entries in the banker's Day-Book are made daily, but the entries in the merchant's Journal are generally made once a month.

The Ledger. — We have stated that in the merchant's Ledger every entry is made twice — one account being debited, and another credited — and these two accounts are indicated in the Journal. This is what is called book-keeping by double entry. If it be asked, whether bankers keep their books by double entry? the answer is, that those bankers who have no General-Ledger (and this is the case with not a few of the private bankers) do not keep their books by double entry. The Current-Account-Ledger is not kept by double entry. It contains none but personal accounts, and its accuracy is tested only by the periodical balancings.

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The banker's Ledger, that corresponds in this respect with the merchant's Ledger, is not the Current-Account-Ledger, but the General-Ledger. This is kept by double entry. In a ledger kept by double entry, the sum of all the debit balances will be equal to the sum of all the credit balances; and the sum of all the debit amounts will be equal to the sum of all the credit amounts. When this is not the case there is an error in some of the accounts. This is the case with the banker's General-Ledger. But, as the transactions are not posted individually, but only in totals, the double entry does not appear on the face of the accounts. Thus, if a bill be discounted for a customer, and the amount placed to the credit of his current account, the Journal entry, on the principle of mercantile book-keeping, would stand thus: —

Bills Discounted Dr. to Current Accounts.

But the bill discounted is placed to the debit of the account of "Bills Discounted," in a total of all the bills discounted on that day. And the amount is placed to the credit of Current Accounts, in the total of all the sums received to the credit of Current Accounts on that day. Thus, the "double entry," though equally real, is not so apparent as though the transactions were posted individually.

So, again, if a country banker should discount a bill, and the customer ask for a draft on his agent in London, the Journal entry, on the commercial system, would stand thus: —

Bills Discounted Dr. to Drafts on London.

It would go to the debit of "Bills Discounted," in the total of all the bills discounted that day, and it would go to the credit of "Drafts on London," in the total of all the drafts on London issued on that day.

The accounts in a merchant's ledger are usually classified into Personal Accounts, Real Accounts, and Profit and Loss Accounts. The Personal Accounts are the accounts of persons who may owe the merchant money, or to whom he may owe money. The Real Accounts are accounts denoting property, such as cash, bills receivable, bills payable, merchandise, ship adventure, &c. The Profit and Loss Accounts are rent, commissions, expenses, and all other accounts which are ultimately transferred to the debit or the credit of the Profit and Loss Account.

The banker's General-Ledger has no Personal Accounts, as these are all kept in the Current-Account-Ledger. The usual accounts are those I have enumerated in page 166, and are all either Real Accounts or Profit and Loss Accounts.

It would be quite possible (but not desirable) to introduce all the Personal Accounts into the banker's General-Ledger, and thus to form the Current-Account-Ledger and the General-Ledger into one, and keep the whole by double entry. In this case we should omit the totals of Current Accounts, now introduced into the General-Ledger, and insert every transaction individually. If John Brown drew a cheque on the bank, the Journal entry would stand thus: —

John Brown Dr. to Cash.
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And if he paid in money to his credit, the Journal entry would stand thus: —

Cash Dr. to John Brown.

All the entries passed to the Dr. and Cr. of these Personal Accounts would of course pass to the Cr. and Dr. of Cash. Indeed, all the entries to the Dr. and Cr. of Cash would be the same as are now made in the Check-Ledger, except that the debtor column would be called creditor, and the creditor column would be called debtor. By the use of such a Check-Ledger as we have described, page 837, (for there are various kinds of Check-Ledgers,) the Current Accounts are virtually kept by double entry; and we have the additional advantage that, when there are more than one Ledger, we are enabled to check each Ledger separately.

To accountants in banks where a General-Ledger is not kept, it appears strange that "Cash" should be *credited* for money which is *paid away*, and *debited* for money which is received. But this strangeness will vanish, if for the word "Cash" they would fix in their mind the word "Cashier." If they had an account with a cashier, they would of course *debit* him, as they do their banker, for all moneys they paid into his hands, and credit him for all moneys they drew out. And the difference between the amounts of these debits and credits would be the balance either in their favor, or against them.

In thus comparing the commercial and the banking systems of book-keeping, I have hitherto supposed that all merchants keep their books by double entry. But this is not always the case with the smaller houses. And then their system more nearly resembles the system of those bankers who do not keep a General-Ledger.

The second part of the work will be devoted to the following topics: — Of Banking Institutions. I. The Bank of England. II. London Private Banks. III. Joint Stock Banks in London. IV. Country Private Banks. V. Country Joint-Stock Banks. VI. The Banks of Scotland. VII. The Banks of Ireland. VIII. Moral and Religious Duties of Banking Companies. IX. Ten Minutes' Advice about Keeping a Banker. X. Summary.

"A new edition has just been issued of the well-known '*Practical Treatise on Banking*,' by Mr. Gilbart, the General Manager of the London and Westminster Bank. The work in its present form is far more comprehensive than any of the previous editions, and embraces a variety of topics of great interest to bankers.

"The treatise, which was originally published as a thin octavo volume, now extends to nearly eight hundred pages; and instead of being confined to a brief description of the routine of business of a bank, embraces a very clear explanation of *the principles* on which the business of banking must be conducted in order to be successful; a general description of the more important elements of the currency question, and of various subjects incidentally connected with it, which the experience and ability of the author enable him to discuss with advantage to his readers. In our present notice we shall confine our attention to the practical directions for the efficient management of banking business, which Mr. Gilbart has laid before his readers.

"Few men are so well qualified as himself for performing this duty satisfactorily. . . . . No one can rise from a perusal of this treatise without feeling the effect of those advantages. The work is judiciously arranged; its instructions are clear and decisive; and there is a kindly tone pervading it throughout, and an earnest moral feeling, which enable us at once to understand the character of the author.

"The work is divided into sections, which may be briefly described as comprising a complete description of a sound system of Bank Book-keeping; an account of the duties required from the officers in a bank; general instructions relating to the administration of a bank, with reference to its ordinary business, during a time of pressure, and under the operation of the new banking laws introduced during the last few years." — *London Bankers' Magazine.*

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XXI. Iowa.

I. *Interest.* — The legal rate of interest in Iowa is six per cent. Ten per cent. may be charged on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the excess of interest paid.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Iowa, payable in other States, and returned under protest for non-payment, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills.* — No statute exists in Iowa as to damages on foreign bills of exchange.

V. *Sight Bills.* — Grace is not allowed on bills, drafts, &c., payable at sight.

Decisions.

Bills of Exchange and Notes. — A person cannot be rendered liable on a bill of exchange or promissory note, unless his name, or the style of the firm of which he is a member, is attached to some portion of it as a party. 1 Green's Iowa R. 231.

A bill of exchange drawn in one State upon a person residing in another State is treated as a foreign bill. 1 Iowa, 388.

When no time of payment is mentioned in a note, it is in contemplation of law payable on demand. 1 Iowa, 552.

The *lex loci contractus* will govern the liability of indorsers, and it will be presumed that the *lex mercatoria* prevails in those States, rendering the indorsers liable on demand and notice, without suit against the makers. 1 Iowa, 388.

Where a lost promissory note, which was made payable to bearer, is the ground of an action in chancery, to enable the complainant to recover he must indemnify the defendant by bond and security against all claims on the note; such indemnity may be required by decree of the court, and the complainant authorized to recover on compliance therewith, and on payment of costs. 1 Iowa, 48.

Where a person, not a party, writes his name on the back of a negotiable promissory note, the law presumes that he is a strictly commercial indorser, even when his indorsement cannot be made operative without the aid of another. 1 Iowa, 331.

Interest. — By a provision of statute, an account bears interest from the time of its liquidation; and that will be presumed from the day the account was presented for payment, if no objection is made to its correctness. 1 Iowa, 336.

In order to recover interest on an account, it should be averred in the declaration, and specified in the bill of particulars. *Ibid.*

Under the statute authorizing parties to contract for interest not exceeding twenty per cent. per annum, it was legal to make a note drawing twelve per cent., and if not paid when due, fifteen per cent. It will not be considered by a court of equity as a contract for a penalty, but for interest after a given day. 1 Iowa, 180.

Where a note is made payable at a future day "with interest if not paid when due," interest is to be computed from the date of the note. 1 Morris, 294.

Usury. A usurious contract, under the statute of Iowa, is not void. 1 Iowa, 44, 128.

A note payable two years after date, to bear interest at fifty per cent. after due until paid, is not usurious. *Ibid.*

Where a person not a party to the note refused to assume the liability of a maker or surety, but merely to indorse, he will be considered a second indorser, and a recovery cannot be had against him in the name of the payee on special counts as the maker, or as guarantor of the note. But if the payee had indorsed and put the note in circulation, a subsequent indorsee might recover against such party as second indorser, had the maker failed in payment. 1 Iowa, 331.

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XXII. Kentucky.

I. *Interest.* — The legal rate of interest in Kentucky is six per cent. No higher rate of interest is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the excess of interest paid.

III. *Damages on Bills.* — No statute is in force in Kentucky upon the subject of damages on inland bills of exchange.

IV. *Foreign Bills.* — No statute is in force in Kentucky upon the subject of damages on foreign bills of exchange.

V. *Sight Bills.* — Grace is allowed on bills, drafts, &c., payable *at sight.*

Decisions.

Where a bill is payable to the drawer's order, and indorsed to his agent, the indorsement is virtually to himself, and no averment of his having paid it is necessary. 8 Dana, 133.

In an action upon a foreign bill, the protest is competent evidence to prove presentment of the bill to the acceptor and non-payment. 3 B. Monroe, 10.

Protest of a foreign bill is necessary to a recovery thereon against the drawer, or indorsers; and in Kentucky the demand and noting for protest must be made by the notary himself; it is not sufficient that this was done by his clerk, unless it appear that such delegation of authority is sanctioned by the custom of the place where the presentment was made. 6 B. Monroe, 60.

Notice of the dishonor of a bill, if forwarded the next day after the dishonor, is sufficient to bind the indorser. Each indorser of a bill has one day, after notice of its dishonor, to forward notice to his indorser. 7 B. Monroe, 17.

A bill of exchange drawn by a person in one State of the Union upon a person residing in another, and payable there, is a foreign bill. 8 Dana, 133.

A general request in writing to pay money to the drawer's own order, is a bill of exchange, which the drawer may make payable to himself by indorsement, and notice to the acceptor before it is due. 8 Dana, 133.

The acceptor of a bill is the principal debtor; he cannot assume the attitude of a surety, though only an accommodative acceptor, and the equitable doctrine respecting sureties does not apply to him; and if it did, it would not avail him in a suit at law upon a written acceptance for which by the law merchant there is a sufficient consideration implied. 4 Dana, 352.

The place where a bill of exchange is dated is *primâ facie* the residence of the drawer, and in the absence of proof to the contrary, notice sent to that place will be good. 5 B. Monroe, 7.

A note, payable on demand, does not bear interest till a demand is made, and a judgment for the debt with interest from the date, without proof of any demand before suit, is erroneous, nor is the error cured by remitting the interest on the record at a subsequent term, when the power of the court over the case was at an end. 6 Dana, 7.

Usury. — If the original transaction is usurious it remains so, however the demand may be divided into different securities, written and parol. 3 Monroe, 345. But if the usury be deducted, and new securities taken, they are valid, though the lender retains the money before received as usury on the original loan. *Ibid.*

Interest. — Judgment in Kentucky may be rendered for interest on the amount of damages assessed on a suit on supersedeas bonds. 4 B. Monroe, 360.

Interest cannot be allowed on the amount of damages assessed by the jury in an action on the case, where trespass might have been brought. 1 B. Monroe, 80.

The liability of the indorser of an accommodation note is like that of a surety. 5 B. Monroe, 399.

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XXIII. Louisiana.

I. *Interest.* — The legal rate of interest in Louisiana is FIVE per cent. EIGHT per cent. per annum may be charged on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest received or paid. Usurious interest may be recovered back.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Louisiana, payable in other States, are uniformly . . 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are uniformly (*Statute of* 1838) . 10 per cent.

V. *Sight Bills.* — There is no statute upon this subject in Louisiana. A decision has been made in one of the inferior courts allowing three days' grace on sight bills, but the usage is to pay on presentation.

Decisions.

By the laws of Louisiana, a notary is required to record, in a book kept for that purpose, all protests of bills made by him, and the notices given to the drawers or indorsers, a certified copy of which record is made evidence. 5 Howard's U. S. R. 53.

Under these laws, therefore, a deposition of the notary, giving a copy of the original bill, and a copy of his record, stating a demand of payment, subsequent protest, and notice to the drawers and indorsers respectively, is good evidence. *Ibid.*

Where a bank in which a note has been deposited for collection places it, in case of non-payment, in the hands of the notary to whom its own business is uniformly intrusted, to be protested, it will not be responsible for the failure of the notary to protest the note, or to notify the proper parties, having shown the same care and attention in the management of the business intrusted to it which men of common prudence bestow on their own affairs. Baldwin *v.* Bank of Louisiana, Supreme Court La. 1846.

If the principal be sued for and recovered, the interest cannot be afterwards claimed in a separate suit. 2 Martin's R. 83.

Interest on interest cannot be allowed. 5 Louisiana R. 33.

Interest cannot be allowed on an unliquidated claim, and a claim is unliquidated when no act of one of the parties alone can render it certain. 5 Martin's R. 6; 1 Martin's New Series, 130; 6 ib. 715, 10; 7 Louisiana R. 599, 134.

A parol agreement to pay conventional interest is not void; parol proof cannot be offered to prove such a convention; but if a party, when interrogated, confess that he did make such a convention, it will bind him. 6 Martin's R. 279.

Interest must be allowed on bills of exchange and promissory notes from the date of protest. 6 Martin's New Series, 572.

Banks cannot in any case take more interest than at the rate fixed by their charters. Where the bank charter fixes the rate of interest at nine per cent. and ten is agreed upon, it will be reduced to the rate fixed by the charter. 8 Louisiana R. 261.

Where a note is made payable at a particular place, payment must be demanded there before recovery can be had of the maker; but it need not be made on the very day it falls due in order to charge the maker (3 Martin's New Series, 423); but if a note be made payable at the house of A. B., a demand either at his dwelling-house or at his office is good. 3 ib. 587.

The obligation against the drawer of a bill is fixed by the non-acceptance, protest, and notice, and it is immaterial whether any demand and protest for non-payment was made or not. 13 Louisiana R. 421.

Demand of payment must be made personally, or at the domicile of the drawer of a note, in order to bind the indorser, when no particular place is designated for payment. 11 Louisiana R. 489.

A mercantile usage to charge ten per cent. interest, in certain cases, cannot be regarded. Parol evidence of an agreement to pay ten per cent. is inadmissible. 12 Martin's R. 21; 7 Louisiana R. 105.

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XXIV. MICHIGAN.

I. *Interest.* — The legal rate of interest in Michigan is SEVEN per cent. On special contracts TEN per cent. or less may be paid.

II. *Penalty for Violation of the Usury Laws.* — All the interest charged above ten per cent. may be recovered as any other debt.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Michigan, payable in other States, and returned under protest, are uniformly . . . . . 3 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 3 per cent.

V. *Sight Bills.* — Grace is not allowed by the banks on bills, checks, drafts, &c., payable *at sight*.

Decisions.

Loans were made to the city of Detroit, on which interest was to be paid semiannually; and bonds were issued with coupons for the payment of the interest as stipulated. *Held*, that these coupons, if not paid, entitled the holder to interest on them. 3 McLean, 472.

A bill of exchange directed to "John A. Wells, Cashier Farmers and Mechanics' Bank of Michigan," and accepted by writing across the face, "Accepted, John A. Wells, Cashier," is drawn upon and accepted by the bank, and not by the cashier in his individual capacity. F. and M. B. *v.* Troy City B. 1 Douglass, 457.

In a suit upon a promissory note made by the defendant, in consideration of the plaintiff's forbearance to seize certain property on attachment against his debtor, the *onus* of proving that the debtor had, at the time, no interest in the property, and that therefore the note was without consideration, is upon the defendant. 1 Douglass, Mich. R. 188.

An instrument signed officially by the president and secretary of a corporation, requesting its treasurer to pay R. or bearer a certain sum of money, is a bill of exchange drawn by the corporation upon itself. *Ibid.* 193. No formal acceptance of such a bill is necessary, the act of drawing being deemed an acceptance of it. *Ibid.* And such a bill has the same legal effect as a promissory note; it imports a promise to pay on demand, and an action may be maintained upon it without proof of a demand of payment from the treasurer of the corporation. *Ibid.*

A protest is a formal instrument made by a notary public, alleging the due presentment and dishonor of a bill, and declaring that the notary protests the same for nonacceptance or non-payment, as the case may be; and the statement that a bill or note has been protested refers rather to the making, by a notary, of the instrument denominated a protest, than to the acts which might authorize such protest to be made. *Ibid.* 296.

No protest of a promissory note is necessary, and the sufficiency in itself of a written notice of dishonor is to be determined by the court as matter of law. *Ibid.*

Notice to the indorser of a foreign bill of exchange, that the bill describing it has been protested for non-payment, and that the holder looks to him for payment thereof, is a sufficient notice of dishonor; the term *protested*, when thus used, implying that payment had been demanded and refused. The case in 1 Douglass, Mich. R. 296, commented on, and distinguished from the present case. 2 *ib.* 425.

The cashier of a bank has no power to accept bills of exchange, on behalf of the bank, for the accommodation merely of the drawers; and the holder with notice of bills so accepted cannot recover against the bank. 1 Douglass, Mich. R. 457.

Usury. — If a bank, on discounting a bill of exchange, corruptly reserves greater interest than it is authorized by its charter to receive, the bill will be void. And so, also, will be a new bill given in renewal of the balance due on such previous illegal one. 2 Douglass, Mich. R. 230.

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XXV. Mississippi.

I. *Interest.* — The legal rate of interest in Mississippi is six per cent. Eight per cent. is allowed on special contracts for money *bonâ fide* loaned.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest paid, legal and illegal.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Mississippi, payable in other States, and returned under protest, are uniformly . . . . . 5 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange returned under protest are . . . . . 10 per cent.

V. *Sight Bills.* — Grace is not allowed on bills of exchange, drafts, &c., payable *at sight.*

Decisions.

Under the statute of Mississippi, protest of an inland bill of exchange is not necessary to enable the holder to recover the amount of it of the drawer; that is necessary only to enable him to recover interest and damages. 6 Howard's S. C. R. 23.

It is not necessary that the notary should make out his formal protest of a bill at the time of presenting it for acceptance, or payment, which is refused; but it is sufficient if he makes a note of the facts at the time, and draws up his protest afterwards. *Ibid.*

Bills. — An order payable out of a particular fund is not a bill of exchange, 1 Smedes & Marshall, 393.

An indulgence granted to the acceptor until the drawer should be heard from, based upon a sufficient consideration, exonerates the indorser. 6 Smedes & Marshall, 433.

An accommodation indorser is not discharged upon notice to the holder of the paper to sue the drawer, and proof of his failure to bring suit until after the drawer became insolvent 5 Howard, 689.

Where the dwelling-house or place of business of the drawee of the bill is shut up, it seems that there must be inquiry in the neighborhood, in order to excuse presentment. 7 Howard, 294.

The notary who fills up and certifies the protest must present the bill himself; it cannot be done by an agent. 4 Howard, 567.

A bill of exchange payable at a certain time need not be presented for acceptance until maturity; but if it is, notice and protest are necessary if acceptance be refused. 4 Howard, 567. See also 12 Verm. 401; 8 Miss. 268.

It seems that demand and protest must be made according to the laws of the place where the bill is made payable. 7 Howard, 294.

In Mississippi, a demand of payment of a foreign bill is not good unless made by the notary himself. *Ibid.*

An agent of the holder is allowed one day to give notice to his principal of a default, and the principal is entitled to one day, after he receives notice, to give notice by mail to the drawer or indorser. 7 Howard, 294.

The last indorser of a bill, in order to hold the prior indorsers, must give notice to them of its dishonor on the next day after he himself receives such notice. 4 Smedes & Marshall, 177.

Interest. — The rate of interest is to be determined by the law of the place where the contract is to be executed. 4 Smedes & Marshall, 667.

Interest follows of course after the debt falls due, as an incident to it; and in an action for the debt it is not necessary to declare for the interest in order to recover it. 1 Howard, 230.

It is an error to calculate interest on the damages allowed on a protested bill of exchange from the maturity of the bill. 2 Howard, 769.

In the absence of proof of the legal rate of interest of another State, the finding of a jury on that subject will be presumed to be correct. 5 Smedes & Marshall, 573.

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XXVI. Missouri.

I. *Interest.* — The legal rate of interest in Missouri is six per cent. No higher rate of interest is allowed on special contracts. (Formerly the law allowed ten per cent.)

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of the excess of interest paid, and to be appropriated to the school fund.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Missouri, payable in other States, and returned under protest, are uniformly . . . . . 10 per cent.
On bills payable within the State, ... 4 "

IV. *Foreign Bills.* — The damages allowed on foreign bills of exchange are . . . . . 20 per cent.

V. *Sight Bills.* — There is no statute in Missouri upon the subject of sight bills. Usage among the banks and brokers does not allow grace on them.

Decisions.

Bills. — A bill payable in currency is not a bill of exchange in Missouri. 7 Missouri, 595.

The notary's protest is evidence of presentment and refusal to pay in Missouri. 4 Missouri, 52.

A bill of exchange payable at a time certain need not be presented for acceptance until maturity, but if it is, notice and protest are necessary. 8 Missouri, 268. But if the bill is presented for acceptance before that time, and acceptance refused, notice must be given in order to fix the liability of indorsers. *Ibid.*

In demanding payment of a bill, it should be produced. 4 Missouri, 52. And in Missouri demand of payment is properly made on the third day of grace. A demand made at the counting-room of the acceptor of a bill of exchange, by the clerk of the holder, is sufficient, without showing a special authority in the clerk for that purpose. *Ibid.*

It is not indispensable for the notice of the dishonor of a bill to be sent to the post-office nearest to the residence of the party, nor even to the town in which he resides, if it be in fact sent to the post-office to which he usually resorts for his letters. 8 Missouri, 443.

To hold an indorser, personal notice of the dishonor of the bill, or notice left at his dwelling-house or place of business, is necessary, where the parties reside in the same place. 7 Missouri, 467.

To entitle a party to damages upon a protested inland bill of exchange, in Missouri, the bill must express to be *for value received*. 7 Missouri, 438.

The Missouri statute making promissory notes assignable vests the legal property in the assignee, and a suit cannot be maintained in the name of the payee for the use of an assignee. 5 Missouri, 433.

The statute provision in the Revised Code of Missouri of 1835, that the holder of a negotiable note, in order to fix the liability of an indorser, shall, with due diligence, institute proceedings against the maker, was intended to supersede the necessity of demand and notice. 6 Missouri, 338.

A note bearing "ten per cent. interest from date" will be construed as bearing ten per cent. interest per annum. 9 Missouri, 841. And a note payable "in the currency of this State" is payable in gold or silver coins, or the notes of the Bank of Missouri. *Ibid.* 697. But a note payable "in the current money of Missouri" is payable in gold or silver alone. *Ibid.*

Usury. — A contract tainted with usury is not void in Missouri; it is valid as to the residue of the amount, after deducting the penalty for the usury. 10 Missouri, 506.

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XXVII. Ohio.

I. *Interest.* — The legal rate of interest in Ohio is six per cent. On special contracts, ten per cent. or less.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest paid above six per cent. This is the rule established by the courts. The statutes prescribe no penalty.

III. *Bills of Exchange.* — The damages on bills of exchange negotiated in Ohio, payable in other States, and returned under protest, are uniformly (by Act of February 15, 1831) . . . . 6 per cent.

IV. *Foreign Bills.* — The damages on foreign bills of exchange, returned under protest, are . . . . . 12 per cent.

V. *Sight Bills.* — No grace is allowed on bank-checks payable *at sight*. A statute is in force, providing that "all bonds, notes, or bills, negotiable by this act, shall be entitled to three days' grace in the time of payment." The practice throughout the State is not uniform. In some places the banks allow grace on bills drawn upon individuals and payable *at sight*.

Decisions.

Where the drawer of a bill of exchange has paid the bill to the payees, after the acceptors have refused to pay it, he has the right to sue the acceptors, in the name of the payees, for his own benefit. 3 McLean, 391.

A protest must be made by the notary, and if his name is used by his clerk, it is improper, and cannot make the protest valid. 3 McLean, 481.

A bill drawn in another State, payable in Ohio, is entitled to grace, and a demand and notice on the second day of grace is not sufficient. 10 Ohio, 496.

A note for a certain sum, payable in bank paper, is negotiable under the statute. 1 Ohio, 189.

The putting a seal to a note does not change the commercial character of the paper. 5 Ohio, 222.

In an action by the assignee against the maker of a single bill, under seal, the indorsement is necessary to be proved. 1 Ohio, 262.

Every indorsement of a bill of exchange is a new contract, and each indorser becomes to the subsequent holder a new drawer. 10 Ohio, 180.

Where a note is payable at a certain place, no demand is necessary in order to charge the maker; but if the maker be there, ready to pay the money, and no one be there to receive it, the duty to pay still remains, but no action can be sustained until a subsequent personal demand be made. 1 Ohio, 483.

No protest of the dishonor of a bill drawn by a citizen of one State on a citizen of another is necessary, except to recover statute damages. 10 Ohio, 496.

A bill drawn on a person in Ohio, payable in New York, and protested for non-payment, does not entitle the holder to the six per cent. damages under the statute. 8 Ohio, 292.

Where a bill is drawn in New York upon a person residing in that State, and is subsequently indorsed in Ohio, and suit brought by the holder against the indorser, the plaintiff is entitled to six per cent. damages; and in such case a protest is necessary, and is competent to prove a demand. 10 Ohio, 180.

Interest. — Where one agrees to pay interest annually, but fails to do it, the interest itself becomes principal, and bears interest from the time it becomes due. 4 Ohio, 373.

Compound interest is not allowed. 5 Ohio, 260.

The jury in actions of tort may add interest to the damages actually sustained. 5 Ohio, 410.

Usury. — Illegal interest once paid cannot be recovered back again. 11 Ohio, 417, 498; 12 Ib. 544.

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XXVIII. Tennessee.

I. *Interest.* — The legal rate of interest in Tennessee is six per cent., and no higher rate is allowed on special contracts.

II. *Penalty for Violation of the Usury Laws.* — Liable to an indictment for misdemeanor. If convicted, to be fined a sum not less than the whole usurious interest taken and received, and no fine to be less than ten dollars. The borrower and his judgment creditors may also, at any time within six years after usury paid, recover it back from the lender.

III. *Damages on Bills.* — The damages on bills of exchange negotiated in Tennessee, payable in other States, and protested for non-payment, are . . . . . 3 per cent.

IV. *Foreign Bills.* — The damages allowed on foreign bills of exchange, returned under protest, are as follows: —

1. If upon any person out of the United States, and in North America, bordering upon the Gulf of Mexico, or in any part of the West India Islands, ... 15 per cent.
2. If payable in any other part of the world, . . . 20 per cent.

V. *Sight Bills.* — There is no statute in Tennessee upon this subject. The banks do not allow grace upon bills payable *at sight.*

Decisions.

The certificate of a notary that he gave due notice to an indorser is not admissible evidence, unless it be made at the time of the protest, and be made in or on the protest. 4 Humphreys, 51.

Interest. — The rule in calculating interest in Tennessee, where payments have been made, is to calculate the interest upon the sum due from the time it was due up to the time payment was made, and to deduct the payment from the principal and interest at that time, and so till the whole is paid. 5 Yerger, 310.

Promissory Notes. — A due bill is in legal effect a promissory note, and as such assignable, and, where for a money demand, negotiable. 4 Humphreys, 247.

Where there are joint promisors, a release of one, to effect the discharge of the others, must be a release under the seal of the party, and must be pleaded by the party wishing to discharge himself by such act of the plaintiff. 4 Humphreys, 449.

Where a note is made payable in property at a given day, the tender must be made in good faith, and in pursuance of the terms of the contract. Any substantial variation from its terms will subject the payer to the payment of money. 5 Humphreys, 423.

A note for money, which may be paid in cotton, is not a negotiable instrument in Tennessee, and the indorser or assignor of such paper is not liable on his indorsement. But if such a note is not discharged in cotton at the stipulated time, it becomes a money demand, and debt and detinue will lie against the maker. 5 Yerger, 435.

In Tennessee, where a note under seal was given, and a covenant entered into by the payee for the delivery of the articles which were the consideration for which the note was given, it was held, that the maker of the note, under the act of 1817, c. 16, could inquire into its consideration. 6 Yerger, 515.

Where the principal and interest of a sealed note do not exceed $ 50, the want or failure of consideration may be inquired into in a suit before a magistrate. 9 Yerg. 45.

A prior indorser of a note is liable to all subsequent indorsers, where due diligence has been used to fix his liability; not only where the indorsement is for value, but also where it is for the accommodation of the drawer. 9 Yerger, 1; 7 Yerger, 310.

An indorsee may recover against the last indorser, though it was an accommodation indorsement, and the prior indorsements were forgeries. 7 Yerger, 310.

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XXIX. Texas.

I. *Interest.* — The legal rate of interest in Texas is EIGHT per cent. On special contracts, TWELVE per cent. per annum may be paid or charged.

II. *Penalty for Violation of the Usury Laws.* — Forfeiture of all the interest paid or charged.

III. *Damages on Bills.* — There is no statute in force in Texas in reference to damages on domestic or inland bills of exchange.

IV. *Foreign Bills.* — There is no statute in force in Texas in reference to damages on foreign bills. It is generally conceded, that whatever damages have been sustained may be recovered.

V. *Sight Bills.* — By usage, grace is allowed on bills, drafts, &c., payable *at sight*.

Statutes, &c.

Banking. — Be it enacted, &c., that any corporation, company, or association of individuals who shall use or exercise banking or discounting in this State, or who shall issue any bill, check, promissory note, or other paper in this State, to circulate as money, without authority of law, shall be deemed guilty of a misdemeanor, and shall be liable to a fine of not less than two (nor more than five) thousand dollars. *Chap.* 156, *March* 20, 1848.

Bills of Exchange. — The drawer of any bill of exchange which shall not be accepted, when presented for acceptance, shall be immediately liable for the payment thereof upon legal protest of the same, and may be sued for the same before the District Court. *Chap.* 134, *March* 20, 1848.

Grace. — Three days' grace shall be allowed on all bills of exchange and promissory notes assignable and negotiable by law. *Ibid.*

Bills of Exchange. — Whenever the amount of any bill or promissory note, due and unpaid, shall be within the jurisdiction of a justice of the peace, the holder thereof may secure and fix the liability of any drawer or indorser thereof, by instituting suit within sixty days after the right of action shall have accrued. *Chap.* 134, *March* 20, 1848.

The holder of any bill of exchange or promissory note may secure and fix the liability of any indorser or drawer thereof, without suit against the acceptor, drawer, or maker, by procuring such bill or note to be regularly protested by some notary public of any county, for non-acceptance or non-payment, and giving notice of such protest to such drawer or indorser, according to the usage and custom of merchants. *Ibid.*

Notary Public. — It shall be the duty of every notary public, who shall protest any bill of exchange or promissory note for non-acceptance or non-payment, to set forth in his protest and in his notarial record a full and true statement of what shall have been done by him in relation thereto, according to the facts, by specifying therein whether demand was made of the sum of money in such bill or note specified; of whom, and when, and where such demand was made. It shall also be his duty to make the requisite notices of protest for the drawers and indorsers who are sought to be made liable; and when any such notice shall be served by him, he shall note in his protest and notarial record on whom and when such notice was served; and when such notice shall be deposited in the post-office by him, he shall specify when and where mailed, and to whom, and where directed; and such protest, or a copy of such notarial record, certified under the hand and seal of such notary public, shall be admitted in all the courts of this State, as evidence of the facts therein set forth.

Bills and Notes. — A note made payable to A as administrator of B is a note payable to A. The words "as administrator of B" are merely *descriptio personæ*, and may be treated as surplusage. Gayle *v.* Ennis, 1 Texas Reports, 184.

The person who appears to be the legal holder of a promissory note may maintain an action thereon, although the actual ownership is in another. *Ibid.* 87.

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XXX. Wisconsin.

I. *Interest.* — The legal rate of interest in Wisconsin is SEVEN per cent. But any rate of interest agreed upon by parties in contract not exceeding twelve per cent., specifying the same in writing, shall be legal and valid. (*Act of* 1851.)

II. *Penalty for Violation of the Usury Laws.* — By the Act of 1851 the entire debt is forfeited.

III. *Damages on Bills of Exchange.* — The damages on bills of exchange, drawn or indorsed in Wisconsin, payable in either of the States adjoining that State, and protested for non-acceptance or non-payment, are . . . . . 5 per cent.

If drawn upon a person or body politic or corporate, within either of the United States, and not adjoining to that State, the damages are 10 per cent.

IV. *Foreign Bills.* — The damages on bills of exchange, drawn or indorsed in Wisconsin, payable beyond the limits of the United States, and protested for *non-acceptance* or *non-payment*, are (*R. S.*, 1849, p. 263) . . . . . 5 per cent.

Together with the current rate of exchange at the time of demand.

V. *Sight Bills.* — On all bills of exchange payable at sight, or at a future day certain, grace shall be allowed (*R. S.* 1849, p. 263). But not on bills of exchange or notes payable *on demand.*

Decisions and Statute.

Promissory Notes. — Where, in an action brought upon a promissory note, executed by the defendant, as trustee of a company, whereby he promised to pay, and also upon another note which he subscribed with his own proper name, but adding his representative name of trustee, a general demurrer to the declaration will not be sustained. Rupert *v.* Madden, 1 Chandler's Supreme Court Reports, 1850, p. 146.

The addition in the body of the notes, as appended to the name of the maker subscribed thereto, is a mere *descriptio personæ* of the party making the note, and cannot be so construed as to exempt him from personal liability. The description which he gives of himself, either in the notes or in subscribing the same, is to be regarded as merely descriptive of his person; but cannot be construed as relieving him from personal liability. *Ibid.*

Partnership. — Where a partnership exists between two persons, one of whom is a dormant partner, and the creditors of the firm have obtained judgments against the ostensible partner, founded upon debts created upon the partnership accounts, upon which executions have been issued *nulla bonâ*, a bill in equity, against both partners, will be sustained, upon the allegation that the dormant partner had, by fraudulent connivance with the ostensible one, obtained the possession, and laid claim to all the partnership assets, in fraud of the creditors: the relief which equity will give is to subject the whole assets to the payment of such debts. *Ibid.*, Vol. II. p. 222.

Banks. — The legislature shall not have power to create, authorize, or incorporate, by any general or special law, any bank or banking power or privilege, or any institution or corporation having any banking power or privilege whatever; unless the question of "bank or no bank" shall have been submitted to the people, and a majority of all the votes cast at such election on that subject shall be in favor of banks; then the legislature shall have power to grant bank charters, or a general banking law. Such grant or law to be submitted to a vote of the electors of the State at some general election, and approved by a majority thereof. *Constitution*, Art. XI.

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FLUCTUATIONS OF THE BALTIMORE STOCK BOARD, 1850.

Quotations of the prominent Stocks of the Baltimore Market on the 15th of each Month in the Year 1850.

Stocks.	*January.*	*February.*	*March.*	*April.*	*May.*	*June.*	*July.*	*August.*	*Sept.*	*October.*	*Nov.*	*Dec.*
United States 6 per cents, 1867, . .	111¼	113¼	114⅛	116	118	116⅛	114¾	115	115⅛	117	116¾	113
Maryland 6 per cents, ...	103	101½	102¼	102¼	104½	105¼	104	103¼	103½	102¾	102⅛	101¾
" deferred 6 per cents, . . .	101½	102	102	102¾	103	104	103	103⅛	100	99	99	. . .
" 5 per cents, ...	88	87	87½	87	88	90	88½	88⅛	88	88	89	87
" 5 per cent. sterling, . . .	95	96	. . .	97¼	99	100	99	98	100	100	100¼	98¼
Baltimore 6 per cents, 1860, . . .	102	. . .	. . .	. . .	. . .	. . .	. . .	104	. . .	104	103	. . .
" " 1870, . . .	102¾	104	. . .	103⅛	105	105	104¾	105	. . .	105	103½	. . .
" " 1890, . . .	103⅛	104½	104¾	104	106¾	106	105¼	106¼	105⅛	106⅛	104⅞	104⅞
" 5 per cents, ...	86	87	. . .	. . .	89	. . .	86	88⅛	88¼	88	. . .	86
Balt. & Ohio R. R. 6 per ct. bonds, 1854,	99½	. . .	99⅛	99	. . .	. . .	99	98	98	100	98	. . .
" " " 1867,	92	91	92⅛	92	95⅛	96	94	93	92⅛	92½	92⅜	91½
Bank of Baltimore, . . *par* $ 100	92	92	94¼	92	99	96	94	96	96⅛	96¾	97	93
Merchants' Bank. . . " 100	93¾	96	95½	96½	99⅛	101⅛	97⅛	97	99	99	102	100
Union Bank of Maryland, . " 75	63	65½	67	67½	70	72	66	69⅛	70¼	69½	71¼	69
Farmers and Merchants' Bank, " 40	31½	32½	37	34½	36	37	38½	37	40	39½	39	38
Commerc. and Farmers' Bank, " 33⅓	35	35	35⅜	38	38	40	39	37½	37	. . .	. . .	35
Do. do. short paid, " 20	22⅜	22½	23½	23⅜	24	24	23¾	23	23	. . .	23	23
Marine Bank, " 30	28	28	29	28½	29½	29½	27½	29⅜	29⅛	28	28	27½
Farmers and Planters' Bank, " 25	25⅛	26½	26½	27	27½	27⅜	26	26	27	27⅛	27⅜	27⅛
Chesapeake Bank, . . " 25	24	24½	25	25	26	26	25	25	25	26½	26	26
Western Bank, . . " 20	19½	19⅛	20⅛	20⅞	21½	21⅛	20⅜	20⅜	20⅞	20⅜	20⅜	20⅜
Mechanics' Bank, . . " 15	15⅛	15⅞	16	16	16½	15⅞	15⅞	16⅛	16½	16⅛	16¼	16
Franklin Bank, . . " 12½	10⅛	10⅞	11	11½	11½	11⅜	11	11⅛	11½	11⅛	11⅜	11⅛
Farmers' Bank of Maryland, " 50	. . .	49	49	49	50	50	50	50½	50	50⅛	51	51
Patapsco Bank of Maryland, " 25	21½	22	21½	21½	22	22⅜	22	23½	23	23	23	22
Balt. and Ohio Railroad Stock, " 100	56½	54⅛	55⅛	54⅜	55⅛	63¾	65⅛	71⅛	74	78⅛	73½	68½
York and Cumberland " . .	. . .	. . .	. . .	. . .	16⅛	19½	17½	19	18	18½	20⅛	19⅜
Balt. and Susquehannah " . . .	21	21	21	17	18	17⅛	17½	19	21½	22	25½	24
Baltimore Gas Company, . . .	100	100	103	104½	104	95	100	102	104⅛	103	103⅛	102
" Water Company, . . .	84	82	84	83⅛	85	82	82	87	84	83	83	82
Union Manufacturing Company, . .	16½	12⅛	14⅛	15⅛	15	15	15	14	14⅛	15	14⅛	13

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THE FINANCES OF MARYLAND.

Communicated for the Bankers' Magazine.

THE FINANCES OF MARYLAND PER THE TREASURER'S REPORT OF THE 1ST OF DECEMBER, 1850, EXCLUDING THE TOBACCO AND COLONIZATION FUNDS, WHICH HAVE NO RELATION TO THE STATE'S GENERAL RECEIPTS AND EXPENDITURES.

THE debts of which we are about to treat were contracted nearly altogether for purposes of internal improvement; the whole amount now outstanding for other objects does not exceed the sum of $ 131,000 out of $ 15,424,381, the entire debt. They were created from the year 1826 up to 1839, a period remarkable for enterprise and speculation. During the disastrous changes in the monetary affairs of the country which took place subsequently, this State, more from a want of knowledge of her own resources than from any actual inability, suspended, in common with many of her sister States, (some of them greatly superior to her in wealth and population,) the payment of interest on her loans, which she did not return to until October, 1847, since which it has been met with scrupulous punctuality. The following statements and tables will, it is believed, conclusively show the entire soundness of her present fiscal condition, and prove that it is second to none either in Europe or America. The bringing about of this improved state of affairs cost, however, *some* of her leading public men years of anxiety and labor, for which they have certainly not obtained the just meed of praise they are entitled to; while others, with nothing but sheer pretence to sustain their claims, have endeavored to build up a reputation on acts with which they had nothing to do, unless it was to oppose and embarrass them. The real restorers of the public faith of Maryland, as history will disclose, were ex-Governor Th. G. Pratt, now a Senator in Congress, and the Chairmen of the Committees of Ways and Means during the progress of resumption, the late Robert W. Bowie, Chancellor John Johnson, and Thomas Donaldson, aided by some gentlemen of experience and financial knowledge who assisted them without being members of the Legislature.

Statement No 1.

1849, Dec. 1, Balance of cash on hand that day, ...			$ 471,119
" " Estimated receipts for 1850, as per account in the March number of this work of that year, p. 747, &c.			1,188,080
			$ 1,659,199
1850, Dec. 1, Balance of cash as above, ...		$ 471,119	
" " Actual receipts this year, ...		1,167,412	
			1,638,531
Apparent deficiency, ...			$ 20,668
Thus accounted for,—			
Direct taxes, short collected, ...	$ 28,843		
Balance unpaid by Susq. and T. W. Canals, .	33,000		
Stamps on lottery tickets, short paid, . . .	9,851		
Tax on civil commissions unpaid, . .	779		
		$ 72,473	
All these items are debts due, collected since Dec. 1, 1850, or in train of collection.			

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Brought forward,	$72,473	
Auction licenses,	$150	
General "	2,165	
Tax on protests,	77	
Live stock scales,	982	
These four items fall short of the estimates,	3,374	
	$75,847	
While there were received during the same year from various indirect taxes, railroad and bank stock dividends, beyond the amounts estimated, the sum of	55,179	
Difference in receipts accounted for,		$20,668
Therefore increase of income,	$55,179	
Decrease "	3,374	
Net increase in favor of the State in 1850,	$51,805	

The estimates for the expenditures in 1850 were		$869,277
And by the Treasurer's report they actually were,		924,351
And are therefore excessive in the sum of		$55,074
Thus accounted for: —		
The expenses of the Legislature, the State's contingent expenses, and those for the public buildings, with some gratuities granted, overran the estimates by	$32,383	
The Annapolis Railroad required in liquidation	3,950	
And the Penitentiary received a donation of	30,000	
Making,	$66,333	
Per contra, less was expended on sundry small items than expected, say	$1,021	
And the interest on the public debt was permanently reduced by the sum of	10,238	
	11,259	
Difference in expenditures accounted for,		$55,074

It therefore follows, that, as the payments to the Railroad and Penitentiary were transient and accidental, not probable to occur again for many years, if ever, these items are not properly chargeable to the annual expenditures of the State, and as it would appear that the

Receipts into the Treasury have increased by		$51,805
And the expenditures also by the sum of		31,362
That there is a net gain on the year's income of		$20,443
Add to which as the estimated receipts heretofore for the year 1851, which were		1,188,080
		$1,208,523
The annual expenditure was estimated for 1850 at	$155,000	
To which add as above,	31,362	
And annual interest payable on the Public Debt,	647,439	
Making a total of		833,801
Leaving an annual surplus in favor of the Treasury of		$374,722

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Brought over,	$ 374,722
To which add the income of the Sinking Fund annually increasing (see statements annexed, pp. 856, 857),	106,505
Giving as annually applicable to the reduction of the principal debt of the State the sum of	$ 481,227

The outstanding debt of Maryland of every kind will be found in the following table: —

A Table showing the Condition and Classes of the Public Debt of Maryland as of the 1st *December*, 1850.

Rate of Interest Payable.	*When Issued.*		*On what Account.*	*Due.*	*Amounts.*	*Total.*
Per cent.	*Ch.*	*Year.*				
3 semiannually.	302,	1837	Baltimore and Susq. Railroad,	*1890		$ 500,000
4½ "	119,	1830	" " "	1846		100,000
5 quarterly.	88,	1821	Maryland University,	1851	$ 30,000	
5 "	150,	1821	Penitentiary,	"	27,947.30	
5 "	229,	1826	"	1843	30,000	
5 "	104,	1827	Baltimore and Ohio Railroad,	1843	256,189	
5 "	105,	"	Chesapeake and Ohio Canal,	"	262,500	
5 "	308,	1834	Penitentiary,	1855	20,000	
5 "	46,	1830	Chesapeake and Ohio Canal,	1843	115,811	
5 "	105,	1833	Baltimore and Ohio Railroad,	"	125,000	
5 "	395,	1838	Baltimore and Susq Railroad,	1890	88,710.97	
5 "	41,	1847	Converted Sterling Bonds,	"	878,097	
5 semiannually.	33,	1833	Washington Branch Railroad,	1859	500,000	
5 "	239,	"	Chesapeake and Ohio Canal,	1843	125,000	
5 "	323,	1839	Eastern Shore Railroad,	1890	81,463.77	
5 quarterly.	46,	1830	Chesapeake and Ohio Canal,	1843	234,500	
5 "	30,	1842	Washington Mounument,	Pleasure,	3,000	
						2,778,219.04
5 stg. semiann.	386,	1838	Baltimore and Ohio Railroad,	1890	3,200,000	
5 " "	"	"	Chesapeake and Ohio Canal,	"	3,162,222.22	
5 " "	396,	"	" " "	"	1,375,000	
5 " "	386,	"	Annapolis Railroad,	"	60,000	
5 " "	"	"	Eastern Shore Railroad,	"	60,000	
5 " "	416,	"	Susq. and Tide-Water Canals,	1865	1,000,000	
					8,857,222 22	
	41,	1847	Deduct converted into Cur. 5 pr. ct.	as above,	878,097	
						7,979,125.22
6 quarterly.	395,	1835	Chesapeake and Ohio Canal,	1885	35,000	
6 "	12,	1839	Annapolis and E Shore Railroad,	1890	160,000	
6 "	241,	1834	Baltimore and Susq. Railroad and Chesapeake and Ohio Canal,	1870	3,000,000	
6 semiannually.	350,	1835				
6 "	310,	1843	Tobacco Inspection Account,	Pleasure,	163,689.67	
6 "	97,	1845				
6 "	348,	1846				
6 "	300,	1836	Penitentiary,	1857	20,000	
6 "	6,	1841	Legislature, Eastern Shore,	Pleasure,	11,300.37	
6 yearly.	238,	1846	Funded Arrears of Interest,	"	133,712.82	
6 quarterly.	20,	1839	Baltimore and Susq. Railroad,	1890	543,334.34	
						4,067,037.20
Per Treasurer's Report,			Total,			15,424,381.46
Deduct Tobacco Debt charged on said Fund,					$ 163,689.67	
Baltimore and Ohio Railroad Company to provide for,					3,200,000	
Held by the Sinking Fund as per Treasurer's Report,					2,000,726.44	
						5,364,416.11
Net Debt chargeable on the State's General Funds, December 1, 1850,						$ 10,059,965.35

* The State's contract is to redeem *at her pleasure* at any time after the years specified in this column.

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The outstanding debt per Treasurer's Report on the 1st December, 1849, was	$ 15,909.981
On the 1st December, 1850, it was by the same document	15,424,381

Showing the principal debt to have been reduced between these two periods in the sum of $ 485,600.

The State has at the present time a right to pay off and cancel —

Principal debt, amounting to		$ 1,618,648
Namely, — 4½ per cent. stock,	$ 100,000	
5 per cent. stock,	1,209,947	
6 per cent. stock,	308,701	
		$ 1,618,648

And therefore has in truth no surplus for any purpose but that of redemption of her debt.

Capital Funds and Credits of the State.

Independently of all revenue from taxation, the State holds in her own right the following productive investments, which are valued at the *cash prices* of the Board of Brokers in Baltimore, Saturday, March 8, 1851.

Sundry bank stocks of the State,	$ 518,116
" turnpike and other stocks,	6,900
Stock in the Baltimore and Ohio Railroad Company,	443,557
" Washington Branch Railroad,	550,000
Cash dividend bond of Baltimore and Ohio Railroad Company, $ 18,000,	9,200
Bonds of the Tide-water and Susquehanna Canal Companies for deferred interest,	192,500
Bonds of the Tide-water and Susquehanna Canal Companies against State bonds for an equal amount issued to them,	1,000,000
Total active funds,	$ 2,720,273

Besides which, the State has the following *unproductive* property set down at cost, but believed to be of no great value, unless it be her stock in the Chesapeake and Ohio Canal Company, which it is hoped the opening of the coal trade in Alleghany County will hereafter render in some degree remunerative.

Stock in the Potomac Company,	$ 120,444
" " Delaware and Chesapeake Canal,	50,000
" " Nanticoke Bridge Company,	4,333
" " Chesapeake Towing Company,	25,000
" " Elkton Bank of Maryland,	10,000
" " Eastern Shore Railroad,	86,862
" " Annapolis and Elkridge Railroad,	299,378
" " Baltimore and Susquehanna Railroad,	100,000
" " Chesapeake and Ohio Canal,	5,000,000
Total of unproductive stocks,	$ 5,696,017

There is due to the State, for loans to, and unpaid interest by, sundry corporations and institutions, as follows: —

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By the Chesapeake and Ohio Canal Company,	$6,017,568
" Baltimore and Susquehanna Railroad Company,	2,884,042
" Susquehanna and Tide-water Canal Companies,	62,239
" Penitentiary,	70,170
" Potomac Company,	43,280
Total,	$9,077,299

The Sinking Fund.

The amount invested on this account in stock loans of the State was on the 1st of December, 1849,	$1,895,387
On the same day of 1850 it was,	2,000,726
Increase past year,	$105,339

Income of same, 1849, $98,285; 1850, $106,505; increase, $8,220.

Interest on Debt, &c.

The State pays, annually, interest on her public debt,	$647,439
The dividends and avails from her investments in the public works amounted, in 1850, to	243,330

Leaving to be provided for from other revenues, $404,109.

N. B. The expense of the Reform Convention now in session we take no note of, as a similar one may not occur for very many years, and its effect will only be to postpone, for a short time, redemption of debt equal to its amount.

For a more clear understanding of the foregoing statement, we would refer the reader to the *Bankers' Magazine* for March, 1850, page 746 *et seq.*

E.

Baltimore, March 8, 1851.

MISCELLANEOUS.

Mississippi State Bonds. — A question of some importance to the holders of Mississippi bonds is expected to come before the Court of Appeals in that State. When the bonds for the creation of the Planters' Bank were issued, a sinking fund was established, upon which, it appears, there is an existing amount of $94,000. The Planters' Bank bonds not being included in that portion of their liabilities which the people of Mississippi have repudiated (although they might almost as well have been so, since the State, with a surplus revenue at its command, pays no dividend on either), the Legislature passed an act in 1848 that the balance in question should be applied, as far as it would go, to the first overdue coupons upon them. The State Treasurer, however, quibbled on the wording of the law, and refused compliance. A *mandamus* was therefore obtained against him by a gentleman acting as an agent of some of the bond-holders. This he has met by an appeal, and the cause will, accordingly, be brought before the highest court in the State. It is believed that in the court the judges are men of integrity, and hopes are consequently entertained of a just verdict. Should such be the case, the effect will be very beneficial. The amount immediately involved is too small to be of moment, but the impression that the claims of their foreign creditors are unfounded has been so industriously spread amongst the population by the wretched political traders

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who have contrived to make their native State a byword throughout the world for all that is infamous, that a public decision in which they shall even be recognized by any of the more respectable authorities cannot fail to be useful. Meanwhile, the bond-holders should continue to avail themselves of every possible opportunity to assert their rights, and with that view should keep themselves well informed of all circumstances by which they are liable to be affected. At the same time, however, we would caution them against pressing too eagerly for a settlement. At the present moment such application would at best be met, as in the case of the State of Indiana, a year or two back, by some offer of compromise more or less unworthy. Let the tide of American prosperity roll on for a short time longer, and these people will be only too glad to cancel by a full return to honesty the doom which now excludes them from a place amongst civilized communities. — *London Times, November* 13, 1850.

Theft of Coins. — The daily papers give the particulars of a desperate outrage committed on the person of Mr. Cureton, the well-known curator of coins, medals, and other antiquities in the British Museum; the materials of his art being the temptation to the crime, — as its details were made the pretext by means of which it was perpetrated. On Saturday last three fashionably attired men called at his lodging, and inquired if he had by him a crown-piece of William and Mary. Mr. Cureton replied in the affirmative; and while preparing to find the coin, an instrument was passed and tightened round his neck, and a blow over the right eye deprived him of sensation. It is hoped, now, that Mr. Cureton will recover, — but his life, if saved, was saved only by the fact of his landlady happening to go immediately into the room, and finding him almost suffocated and speechless on the floor. The robbers carried off coins, medals, &c., to the value of £300. The property taken away was deposited in sundry cabinets, — and consisted, amongst other things, of crown and half-crown pieces of Oliver Cromwell, King Alfred, and numerous Saxon coins. We give the narrative of this outrage, that we may assist in rendering the sale of these coins impossible, or help in making the attempt to circulate them lead to the detection of the robbers. Speaking of this robbery, we may mention, that the M. Diamila, who was arrested last year, as the reader will recollect, on a charge of having stolen a number of valuable coins and medals from the Vatican Library, has been condemned and sentenced to twenty years' service in the galleys. Some of the stolen articles have been traced to other collections, — but the major part of the property, it is believed, cannot be recovered. — *London Athenæum.*

Money Market, New York, March 24. — There is more activity than is usually experienced so early in the week, and rates for money are fully maintained. Large remittances are expected from the interior during the present week, which will be very acceptable to dealers in this market. Some little anxiety is felt in regard to the dry weather in California, lest our supplies of gold dust from that quarter may be cut off; but we have already about $11,000,000 from thence since the opening of the year, which, with the supply from other sources, will exceed our exports of specie by more than $8,000,000, a handsome increase for one quarter of a year. We shall, no doubt, have large shipments from this port for the next few weeks, if exchange keeps up to its present limits, and we already hear of engagements of gold for Wednesday's steamer.

Bills on London are selling this morning at 110¼, while the leading city drawers ask and obtain 110⅜ to 110½. Continental bills are firm at our last quotations.

The stock market at the first Board opened very heavy for Fancies, but Governments were firm. Toward the close there was a better feeling. We notice sales of United States 6's of '67, 116¼; do. of '56, 108¾; Illinois Internal Improvement Stock of '47, 64; Kentucky 6's, 105; Indiana Canal Loan, 88; Pennsylvania 5's, 94; Hudson River, 103¼; Erie 7's of '59, 100¾; do. Income, 93; Erie Railroad, 79⅝; Harlem, 67¾; Canton, 62¼ (afterwards 62½ bid); Farmers' Trust, 64¼; Reading, 58¼; Morris, 19½; Portsmouth, 13; Hudson River, 80¾.

A New Style of Gold Pen. — Mr. Stimpson, Teller in the Merchants' Bank of Boston, has invented a new style of gold pen, which is certainly a very finished and beautiful article. The advantage of this over most other metal pens is, that the peculiar elasticity of the goose-quill pen, and the smoothness with which that passes over the paper, are almost perfectly secured. This is done by means of extra splits on either side of the points of the pen, which enables the writer to give the heavy stroke with as much ease as he can with a quill pen, and without endangering his pen or paper either. The handle of the pen has a sliding

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case, which can be drawn down over the pen when not in use, forming complete protection to its delicate point when laid aside. Oakes and Darling are general agents for the pen. — *Boston Journal.*

We have examined the pens mentioned above, and can strongly recommend them as being well adapted for book-keepers and other bank officers. This article can be safely transmitted by mail at a cost of single postage only. — Ed. B. M.

Notices of New Books. — *The Massachusetts State Record, New England Register, and Year Book of General Information.* Edited by Nahum Capen. Volume V. Boston: James French. This is one of the indispensable volumes for use in the Commonwealth of Massachusetts. The *Record* furnishes late and accurate information in reference to all the public institutions of Boston and other places; with authentic lists of town and country officers, railroad companies and officers, notaries, counsellors, attorneys, &c., throughout the State. Mr. Capen has now added similar information in regard to Maine, New Hampshire, Vermont, Rhode Island, and Connecticut; all which renders the volume particularly acceptable to public officers, and to merchants and professional men in New England. The work also contains a short account of the several governors of Massachusetts. Price, $1.

The Edinburgh Review, No. 189, for January, 1851. Republished by Leonard Scott and Co., New York. The subjects discussed in this No. are, — I. English Socialism and Communistic Associations. II. The Struggle in Italy in 1848–49. III. Devon and Cornwall. IV. Sewell's Odes of Horace. V. Lord Campbell's Lives of the Chief Justices of England. VI. Lord Holland's Foreign Reminiscences. VII. Kings and Popes. VIII. The Menace of War in Germany. IX. Lord Clarendon's Administration in Ireland, 1847–1850.

The topics of the present No. of the Edinburgh are few; but they give us a clear insight into the political and church movements of Great Britain and the Continent. In fact, it would be difficult for us, at this distance from the field of operations, to examine fully the progress of things in Europe, social, literary, political, and religious, without the aid of the *Edinburgh Review* and its colaborers as organs of criticism. Messrs. Crosby and Nichols are agents for the quarterlies.

The North British Review for February, 1851. Leonard Scott and Co., New York. Contents: — I. British and Continental Ethics and Christianity. II. Rome and the Italian Revolution. III. Writings and Works of Philip Doddridge; with an Introductory Essay by John Foster. IV. Literature and the Labor Question. V. Writings and Life of Neander. VI. California and the Gold Mines. VII. Hallam's Remains in Prose and Verse. VIII. The Social Position of Woman. IX. Lyell's Travels in North America.

The Annual of Scientific Discovery; or, Year Book of Facts in Science and Art: exhibiting the most important Discoveries and Improvements in Mechanics, Chemistry, Astronomy, Meteorology, Zoölogy, Botany, Mineralogy, Geology, Geography, Natural Philosophy, Antiquities, and the Useful Arts. Together with a List of Scientific Publications; a Classified List of Patents; Obituaries of eminent Scientific Men; an Index of important Papers in Scientific Journals, etc. Edited by David A. Wells, A. M., of the Lawrence Scientific School, and George Bliss, Jr. Boston, Gould and Lincoln. 12mo. pp 428. Price $1.25. This volume will prove exceedingly useful to the scientific man and to the student. It is a valuable index to the changes that have taken place during the past year, and to the progress of science throughout Europe and America. Its main value to the reader will be in suggesting to him where more copious and elaborate details may be found upon the topics mentioned in the volume. Such has been the success of this and the prior volume, that the editors intend to publish an additional volume every year.

De Bow's Southern Review. The March number of this Magazine of the Southern and Western States has been received in Boston by Messrs. Redding and Co. The subjects treated of in this number are, — I. The State of Georgia, by J. A. Turner, of Georgia. II. Sugar, M. Rosseau's Process of Manufacture, by Professor R. McCulloch. III. Supposititious Reviews, by J. M. Legare, of South Carolina. IV. The South and her Remedies. V. India and the Hindoos. VI. The Earth and Man. VII. Turkey and her Destiny, by Professor R. G. Barnwell, of New Orleans. Commerce, Agriculture, Southern Internal Improvements, &c., &c.

The Farmer's Guide to Scientific and Practical Agriculture. The fifteenth number of this work, having a continuation of the subject of "Pasturing Cattle," one on the "Treatment of Sheep," and other papers of interest, has been received in Boston by Messrs. Crosby and Nichols. The editors of this work are Messrs. Henry Stephen and John P. Norton. The work is to be complete in about twenty-five numbers. Published by Leonard Scott and Co., New York.

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BANK ITEMS.

MAINE. — Two new banks chartered at the late session of the Legislature have not yet been organized, viz. Richmond Bank, at Richmond, and Weskeag Bank, at South Thomaston.

The charter of the Central Bank, at Hallowell, expired in October, 1847, with the privilege of two years to wind up their affairs. The notes are still received at the Suffolk Bank.

VERMONT. — A person who had unnecessarily drawn four thousand dollars in specie from the Stark Bank, early in March, had the whole stolen from him during the night following. (Specie is a heavy article to manage, and the less one has to do with it the better. Bill-holders are recommended to take bank drafts on large cities, to avoid loss.)

Essex Bank. — The Safety Fund. — The long pending cases in chancery against this Bank, and the Vermont Safety Fund, are finally terminated, and the Treasurer has paid over to Zebina Newell, Esq, Receiver of said Bank, $29,325.65, which is sufficient, after paying all costs and expenses of settlement, to pay a dividend of 78 8-10 per cent. upon all claims allowed by the Chancellor, including interest from the time they were presented to the Receiver to the final order, December 17, 1850. The dividends will be paid at the Bank of Newbury, Wells River, Vermont, on presentation of the proper vouchers.

This fund, with the State Prison debt already paid by the Treasurer, constituted a large share of the so-called "State Debt." Arrangements are made so that the funds for these payments are to be redeemed from time to time, and to provide for this was the purpose of the moderate addition to the State tax of which the "Junction Democrats" complain. — *Editor Watchman.*

MASSACHUSETTS. — George Atkinson, Esq., has been elected Cashier of the State Bank, Boston, in place of Jonathan Call, Esq.

City Bank. — Charles C. Barry, Esq., for many years book-keeper in the City Bank, Boston, has been elected Cashier of that institution, in place of Mr. Williams, who is chosen Cashier of the Bank of the Metropolis, New York.

RHODE ISLAND. — Applications were made to the Legislature, at its late session, for the incorporation of the following banks : —

1. The Bank of America, at Providence,	Capital	$100,000
2. The Bank of Commerce,	" "	200,000
3. The South County Bank, at Kingstown,	"	100,000
4. The Citizens' Bank, at Woonsocket,	"	100,000
5. The Railroad Bank,	" "	100,000

Also for the incorporation of a Clearing Bank, at Providence. All these applications, according to law, lie over, with order of notice, until the next session of the Legislature, which will meet in May, 1851.

The *Clearing Bank* is proposed for the purpose of par redemption, as now accomplished by the Suffolk Bank, at Boston, and the Merchants' Bank at Providence; the capital stock to be subscribed by the banks of the State, in proportion to their own respective capitals. Of course, under such a system, the dividends will accrue to the credit of the several banks, and not for the benefit of individual stockholders. Both the proposed system, and the system in actual operation, obviate the necessity of heavy specie balances at home, and maintain the capitals in more active use.

Providence. — Benjamin W. Ham. Esq., was on the 1st of March elected Cashier of the Arcade Bank, in place of Joseph Hodges, Esq., resigned on account of ill health.

CONNECTICUT. — The Messenger employed by the Norwich banks was knocked down on 13th March, about 1 A. M., and robbed of his carpet-bag, containing about forty thousand dollars in bills of the several banks of Norwich and vicinity. The banks of Norwich issued the following notice.

$5000 REWARD! — DARING ROBBERY.

A daring robbery was committed at the Norwich and Worcester Railroad Depot, in the city of Norwich, on Thursday morning, 13th instant, at 15 minutes past 1 o'clock, under the following circumstances : —

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Mr. Henry M. Witter, the Bank Messenger for the Norwich Banks, was approached by a stranger, while in the Ladies' Room waiting for the steamboat train to Boston, and after a short conversation was suddenly knocked down with a "billy," and while lying senseless on the floor was robbed of his carpet-bag, containing about $40,000. Among the notes were ten $100 notes of the Quinebaug Bank, Norwich, each payable to Lewis Hyde, dated January, 1851. Also $1100 of the Mystic Bank, in 20's, 10's, and a few smaller notes.

Three thousand dollars of the above reward will be paid for the recovery of the money, or in proportion for any part, and two thousand dollars for the detection of the robber.

Lyman Brewer, Cashier Thames Bank; Charles Johnson, President Norwich Bank; Joel W. White, Cashier Merchants' Bank; E. H. Learned, Cashier of Quinebaug Bank.

Norwich, March 13, 1851.

New York. — The capital of the Mercantile Bank, New York City, was increased in January last to $450,000, to which will be added $150,000 during the month of April, making the actual capital of the bank $600,000.

Citizens' Bank. — The newly organized Citizens' Bank will commence business on the 20th of May next, at the corner of Walker Street and the Bowery. Capital paid in, $300,000. Jay Jarvis, Esq., President, Sylvester R. Comstock, Esq., Cashier.

Stuyvesant Bank. — Books for subscription to the Stuyvesant Bank were opened on 10th March. The location is said to be fixed in the Bowery, near Fourth. Edward M. Guion, President, I. K. Satterlee, Esq., Cashier.

Bank of North America. — This institution, under the management of a Board of Directors composed of active and efficient business men, and with such officers as John J. Fisk (late Cashier of the American Exchange Bank) for President, and Isaac Seymour (President of the Westchester County Bank) for Cashier, — both of whom are well known as experienced and successful bankers, — cannot fail to take rank at an early day with the most prosperous and well-conducted banks in our city. Its capital is $1,000,000. The Directors have purchased the building No. 12 Wall Street, for a banking-house. The following is a list of the Directors: — John J. Fisk, late Cashier of the American Exchange Bank. William M. Bliss, of the firm of Merritt, Bliss, & Co. Ralph W. Newton, of the firm of Schouler, Newton, & Barbour. Charles M. Connelly, Tobacco-dealer. Patrick Strachan, of the firm of Strachan & Scott. George Griswold, Jr., of the firm of N. L. & G. Griswold. Samuel L. Bush, of the firm of Beals, Bush, & Co. Charles E. Beebe, of the firm of Beebe & Brother. William Strong, Wool-dealer. Henry Stanton, of the firm of Macy, Stanton, & Co. Henry A. Kent, of the firm of Kent, Poag, & Co. David B. Turner, of the firm of Wadsworth, Turner, & Co. L. C. Clark, of the firm of E. W. Clark, Dodge, & Co. Aaron Champion, of Savannah, Ga.

The Irving Bank. — This bank has been recently organized for business, and commenced operations on the 24th of March, at 279 Greenwich Street. President, E. H. Laing, Esq. Cashier, John Thomson, Esq.

Rochester. — B. F. Young, Esq., has been elected Cashier of the Rochester City Bank, in place of C. T. Amsden, Esq., resigned.

Batavia. — An attempt was made, on the 4th of March, to rob the Farmers and Mechanics' Bank of Genesee, by cutting through the front door. The burglar was detected in the act, and has been committed to jail for trial.

Buffalo. — Various reports are in circulation at the East, growing in a measure out of the failure of the Lewis County Bank, and the connection of F. Hollister with that and other institutions. It will be seen by the card of Mr. Sherman, the Cashier of the Hollister Bank, that this bank will not lose a single dollar by F. Hollister.

The well-known business reputation of Messrs. James and Robert Hollister, who own and control a majority of the stock, is a sufficient guarantee that this institution is sound, and that its liabilities can at any time be promptly met. — *Commercial.*

Pennsylvania. — *Erie Bank.* — Gen. Charles M. Reed, President of this institution, announces through the Erie Gazette, that the anonymous article which appeared in Thompson's Reporter a few days since, intended to discredit the Erie Bank, is without the least foundation, being only one of the periodical efforts made to deceive

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the public at a distance from the bank, in order to purchase the paper at a discount. The public are assured that the bills are promptly redeemed at the counter, and by Drexell & Co., Philadelphia; Kramer & Rahn, Pittsburg; and Patchin Bank, Buffalo, N. Y., and that he further holds himself individually liable for the redemption of every bill put in circulation while he presides over the institution.

North Carolina. — By an act of the Legislature, passed in January last, the Bank of Cape Fear is authorized to increase its capital stock from its present amount ($1,500,000) to two millions of dollars. The bank to establish an additional branch, at Greensboro, within six months.

Commercial Bank. — The Commercial Bank of Wilmington has been authorized by a recent act of the Legislature to increase its capital stock to $350,000. The additional amount has been already subscribed. The bank paid a dividend of seven per cent. in February; five per cent. of which was from the earnings of the previous six months, and two per cent. from the contingent fund accumulated since the incorporation of the bank on the 26th of April, 1847.

Georgia. — The books of subscription to the Bank of Savannah were opened on Wednesday last, and at an early hour yesterday, $250,000 of the stock had been taken. The charter authorizes the bank to go into operation with a capital of $200,000, which may be increased hereafter to $500,000. The books, we learn, were closed last evening, and a meeting of the stockholders is announced to take place on the 3d of March next, for the purpose of electing a board of directors. We congratulate the commissioners on their success, and doubt not the bank will be so managed that, whilst it extends the facilities so much needed in every department of business, by an increase of banking capital in our city, it will, at the same time, become a safe and profitable investment to the stockholders. — *Savannah Georgian, February* 21.

Joseph Washburn, Esq., was, on the 3d of March, elected President by the first board of directors.

Louisiana. — The *New Orleans True Delta* contains a letter from the Secretary of State of Louisiana to the Attorney-General, in which the former asks the assent of the latter to the views he expresses in his communication relative to the unconstitutionality and danger to the public of the course lately pursued by the Louisiana State Bank in issuing through its branches an amount of its notes unwarranted by its former practice or a due regard to prudence in the conduct of such an institution. It seems that the constitution of that State interdicts the creation of new banks or the extension of the banking privileges of those now in existence. The original charter of the State Bank prohibited the issue by it of its notes exceeding in amount the double of its capital, which is something less than two millions of dollars. Notwithstanding these facts, under an act of the Legislature hastily passed at its last session for the purpose nominally of establishing a branch at Baton Rouge, the mother bank has proceeded to issue the branch notes to an amount of more (together with her own) than $5,500,000, a larger quantity by upwards of $1,500,000 than she has, according to the view of the Secretary of State, a right constitutionally to circulate.

New Orleans. — On the 26th of February the condition of the several banks of New Orleans was as follows (*fractions omitted*): —

	Capital.	*Circulation.*	*Specie.*	*Liabilities, exclusive of Capital.*
Bank of Louisiana, .	$3,992,000	$1,218,000	$2,568,000	$5,800,000
New Orleans Canal Bank,	3,163,000	1,716,000	1,573,000	3,590,000
Louisiana State Bank, .	1,734,000	2,058,000	2,040,000	4,938,000
Mechanics and Traders' B.,	1,704,000	901,000	1,283,000	3,382,000
Union Bank, . .	2,672,000	25,000	148,000	50,000
Total, . . .	$13,265,000	$5,918,000	$7,612,000	$17,760,000

Quotations of Stocks. — Bank of Louisiana, $125; New Orleans Canal and Banking Company, $95; Louisiana State Bank, $110; Mechanics and Traders' Bank, $100; Carrollton Bank, $48; Orleans Insurance Company, $117; Merchants' Insurance Company, $101; Commercial Water Works, $50, *per cent.*

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Notes on the Money Market.

BOSTON, 26TH MARCH, 1851.

Exchange on London, sixty days, 1.10 *to* 1.10½.

THERE is no essential change in the money market since our last month's report. Money is in fair demand at a slight advance above legal rates, but the banks are enabled to do nearly all the good paper that offers. The failure of a large auction firm at New York, followed by rumors of suspension by three or four of the New York country banks, caused some disquiet in that city early in the present month. But this uneasiness has passed away. It is now seen that the country banks named have all sustained themselves against this gratuitous outcry of certain bank-note brokers whose interest it is occasionally to depreciate country paper These rumors had no foundation in fact, but had the immediate effect of causing the sudden return of the issues of these banks to their agents for redemption.

Such false rumors are generally started by interested parties, with selfish motives, for the temporary or permanent injury of a bank. We consider the evil remediable by the proposed "Bank of the Metropolis" at New York. That city will be the fountain-head for the redemption and for the credit of the interior banks. Unfavorable reports cannot, as at present, have several days to sport far and wide, without contradiction from proper sources. The country banks will soon find that their true interests will induce them to maintain balances at New York for the redemption of their bills, and that no necessity will exist for keeping large specie balances at home. Thus, much risk will be avoided, and a waste of capital (idle funds) will be obviated.

We have taken some pains to ascertain the workings of the Suffolk Bank system at Boston. It *undoubtedly promotes the interests of the country banks*, and enables them to keep their funds more active. They need not be robbed of much by burglars, at least.

We find the redemption by the Suffolk Bank during the past year was about $ 220,000,000, viz.: —

January, 1850,	$ 18,440,000	July, 1850,	$ 18,835,000
February, "	15,440,000	August, "	17,882,000
March, "	15,938,000	September, "	18,079,000
April, "	18,806,000	October, "	22,054,000
May, "	19,632,000	November, "	20,005,000
June, "	17,650,000	December, "	18,171,000

A grand total of $ 220,932,000 for the year. This volume of circulation is rapidly increasing under the present tendency to speculation. The redemption in January last was $ 20,763,000. No less than thirty-six expert note clerks are employed daily in the counting and sorting of this country money at the Suffolk Bank, — each of whom is employed on an average *nine hours per day*. The opinion prevails here that no one of the country banks would voluntarily relinquish the present system. The paper issued at Bangor or New Haven, Burlington or Newport, is alike *at par* in every remote corner of New England. It is likewise at par in Boston, and this gives the paper a more ready circulation even in the State of New York.

Several new charters for banks have been applied for in Massachusetts, at the present session of the Legislature. No definite action has taken place upon these applications, and it would be superfluous now to speculate on these, or on the increase proposed for several of the Boston banks and of the country.

The Dorchester and Milton Bank, which has been unfortunate in various ways, has had its name changed to the *Blue Hill Bank*. The Annual Report of the Bank Commissioners has been distributed for general information. The Board present a flattering view of the condition of the banks as a body, and recommend some slight modification of the existing bank laws. They allude to some deviations, on the part of several institutions, from the

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statutes in force; generally arising from "entire ignorance that such statutes existed." They refer to the following practices: —

1. Charging exchange by the country banks, on paper discounted by them, payable in Boston.
2. Loans beyond double the amount of capital stock.
3. Allowing interest on individual deposits.
4. Circulation issued by way of special loans, not to be redeemed in fact by the bank.
5. Loans to directors, beyond the amount authorized by law.
6. Loans to cashiers, and other officers, contrary to law.
7. Paying out bills of other banks at the counter.

There are numerous statistical tables published in the Report, all which render it acceptable to the banks and to the Legislature for future reference.

We observe a prevailing disposition in several of the States to adopt the free banking system of New York. The latter has been found to work so well, in practice, that it has been already adopted in Ohio and New Jersey, and will probably be adopted by Indiana, Wisconsin, Illinois, and Pennsylvania. Indiana has engrafted this system in the new constitution adopted by the late convention, which will be submitted to the people for their approval.

Wisconsin has seen the wisdom of adopting liberal laws respecting usury. A late act has adopted seven per cent. as a legal rate, and allowing twelve per cent. where specially agreed upon in writing. Our readers are referred to the early pages of this No. for full information on the subjects of Usury, Damages on Bills, &c.

Congress has finally adopted a cheap postage system which will prove a great step towards *progress*. Although not what was demanded by the common sense of the people, yet the act will go far in promoting "the diffusion of knowledge among men." By this law the postage on letters of half an ounce will be three cents, prepaid, and five cents, unpaid. The postage on the *Bankers' Magazine* will be, on and after July 1, as follows: —

For any distance not exceeding 500 miles, ...	2½ cents.
For any distance between 500 and 1,500 miles, ...	5 cents.
For any distance between 1,500 and 2,500 miles, ...	7½ cents.

in all instances *pre-paid by the quarter*.

We are compelled, from want of room, to postpone our compilation of the returns of the banks of Kentucky, Virginia, Pennsylvania, and Indiana.

There is a continuous drain of coin, mostly silver, from this country to Europe, amounting in the aggregate to about three and a half millions since the 1st of January last. On the other hand, the receipts have been about eleven millions from California for the same period, and there are no present indications of a falling off in the amounts. The quotations for sterling bills are 110, 110¼, and 110½, prices which induce further remittances of coin to Liverpool, Havre, and other ports, to meet foreign balances.

Our advices from London give assurances of continued ease in the English money market. The rate of discount adopted by the Bank of England on the 26th December, was three per cent., which rate continues. The same rate of discount is likewise current out of doors, and the brokers allow 2½ to 2¾ per cent. for money on deposit, repayable at call.

We refer our readers to the copious, satisfactory, and authentic view of the finances of Maryland, as presented in this No. That State, after five years' suspension, is now in a fair way to cancel its public debt in a few years, by means of its gradually increasing sinking fund.

DEATH.

At Schenectady, on the evening of the 14th March, after a few days' illness, of congestion of the brain, William B. Walton, Cashier of the Mohawk Bank, in the 56th year of his age.

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THE

BANKERS' MAGAZINE,

AND

Statistical Register.

VOL. V. MAY, 1851. No. XI.

SKETCHES OF EARLY CURRENCY.

I. GEORGIA.

THE very moneyed circulation of the Colony of Georgia was an obstacle in the way of commercial transactions. In place of the British currency, the Trustees of the Colony issued what they called *Sola Bills*, or bills of exchange, to be issued in Georgia by their agents, and made payable in England in form following, viz. : —

GEORGIA BILL OF EXCHANGE, PAYABLE IN ENGLAND. } A. No. 1. *Westminster*, 24 *July*, 1735.

Thirty days after sight, we, the Trustees for establishing the Colony of Georgia in America, promise to pay this, our Sola Bill of Exchange, to James Oglethorpe, Esq., or his order, the sum of one pound sterling, at our office at Westminster, to answer the like value received by him in Georgia on the issue hereof, as testified by indorsement herein signed by himself.

£1 0s. 0d.

Sealed by order of the Common Council of the said Trustees for establishing the Colony of Georgia in America.

The first issue was of £4,000, of which sum £500 was in bills of 20*s.*; £1,000 in bills of 40*s.*; £500 in bills of £5; £1,000 in bills of £10; and £1,000 in bills of £20. These and all others issued by them were sealed with the trustees' seal, and signed by the accountant. While Oglethorpe was in Georgia, they were to be issued only by him; at his departure, by the presidents and assistants, or any three of them,

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they keeping a record of every such bill, with the specific purpose for which it was issued. More than one hundred and thirty-five thousand dollars were thus sent over at different times, in payment of salaries and other corporate expenses. When redeemed, they were cancelled by a punch through the seal, in presence of one common councilman and two trustees. At the expiration of their charter, the accountant reported bills to the amount of £ 1,149 not yet delivered in for payment, and the common council immediately placed a similar amount in the hands of Mr. Loyd, a distinguished silk merchant, to redeem them when presented; and by a public notice in the several gazettes of America, they were required to be presented before the first of January, 1756.

The financial affairs of the trustees were managed with great caution, prudence, and economy. The various reports of the commissioners on accounts spread upon the records of the common council evince the scrupulous care and stringent exactness with which they examined each item of expenses and each draught upon their exchequer.

The early settlers brought but little money with them, and, being supported by the weekly issues from the trustees' store, did not need much. What little trade existed was mostly by barter; and a small supply of the bills emitted by South Carolina constituted almost the only currency. The increase of the colony, and the demand of trade, made a circulatory medium necessary; and the trustees, at times, sent over English coin, which, being paid to the salaried officers of Trust, was at once thrown into circulation. At one time they ordered £ 1,000 in silver to be sent over; and on another occasion, two tons of half-pence were to be shipped to Georgia.

To meet the still further demand, the trustees issued their sola bills; and though they could not be made a legal tender, they were freely circulated, and nearly supplanted every other currency in the Colony.

The promptness with which the trustees met these as they fell due kept up their credit, and to the very last, funds to the full amount of the unredeemed bills were placed in the hands of an agent, to cancel them as they were presented. At the surrender of the charter, only £ 1,149 of sola bills remained unredeemed; and but very little of this sum was circulating at this time in Georgia. Their foreign trade absorbed most of the specie; and their currency was principally of the Carolina bills, which were seldom at par out of the Province, and often greatly depreciated, notes of hand, or orders on merchants, which were discharged either in Carolina bills or goods, — in either case to the great loss of the holder. Under these circumstances, without a currency adequate to the demands of trade, depending on her sister Colony for the unsound medium which did circulate, and anxious to remedy the financial evils growing out of this condition, the Assembly ventured to pass, and the Governor to approve, the act for emitting £ 3,000. It was a step dictated by self-preservation, and to which they were enticed by the frequent instances wherein Massachusetts, Pennsylvania, and especially their neighbor, South Carolina, had stamped and made current bills of hundreds and thousands of pounds. — *From a History of Georgia, by W. B. Stevens, M. D. New York: Appleton & Co.* 1847.

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II. Kentucky.

The constitutionality of the Bank of the Commonwealth, though generally doubted, was sustained by many judicial recognitions by the Court of Appeals of Kentucky, and finally by an express decision, in which the then judges (Robertson, Chief Justice, and Underwood and Nicholas, judges, 1828 – 1831), without expressing their own opinions, deferred to those incidental recognitions by their predecessors, and also to the opinion of the Supreme Court of the United States in the case of Craig *v.* Missouri, in which that court defined a "*Bill of Credit*," prohibited by the national constitution, to be a bill issued, as currency, by a State and *on the credit of the State.* The notes of the Bank of the Commonwealth, though issued by and in the name of the State of Kentucky, were not issued on the credit of the State, but expressly on the exclusive credit of a nominal capital dedicated by the charter, — and this known fact produced the rapid depreciation of those notes; and, consequently, the same Supreme Court of the United States affirmed the said decision of the Appellate Court of Kentucky, as it was compelled to do by its own authority in Craig *v.* Missouri, unless it had overruled so much of that decision as declared that it was an indispensable characteristic of a prohibited "bill of credit," that it should be issued *on the credit of the State.* There is much reason for doubting the correctness of these decisions by the national judiciary; and if they be maintained, there is good cause for apprehending that the beneficent policy of the interdiction of State bills of credit may be entirely frustrated, and the constitutional prohibition altogether paralyzed, or eluded. — *From Collins's Historical Sketches of Kentucky. Maysville*, 1848.

Early Paper Currency in Georgia. — In 1760, the Legislature of Georgia, with the approval of the king, passed a law "for stamping, imprinting, issuing, and making current the sum of £7,410 sterling, in paper bills of credit, and for applying and sinking the same."

First Paper Money in the Colonies. — In the year 1690, the government of Massachusetts issued bills of credit, as a substitute for money, to meet the expenses of Sir William Phips's expedition against Canada. These were the first paper issues in the Colonies.

The first Bank in New York. — The first bank in New York, called the Bank of New York, began business on the 9th of June, 1784. Business hours, from ten till one, and from three till five o'clock daily. A. McDougall, President; William Seton, Cashier. Discounts confined to paper not more than thirty days to mature.

Early Paper Currency in Maryland. — The Legislature of Maryland, in 1781, authorized the issue of £200,000 in bills of credit, for the payment of which double their value of the confiscated lands of the disaffected and British subjects was pledged. In three months after their issue, these bills had depreciated to less than half their nominal value.

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The first Bank in Boston. — The Massachusetts Bank was chartered February 7, 1784. Fleet's Almanack of 1788 decribes it as follows: — "The design of it is intended to be of public utility, and more particularly beneficial to the trading part of the community. It is kept open every day in the year, except Sundays, Public Fasts, Thanksgiving and Christmas days, Good Friday, general Election day, and the Fourth of July." The board of directors in 1790 consisted of the following: —

Hon. William Phillips, *President*; Peter Roe Dalton, *Cashier*.

Jonathan Mason,	Thomas Walley,
Thomas Russell,	Benjamin Green,
Thomas Dawes,	Jonathan Mason, Jun.,
Christopher Gore,	Peter Roe Dalton.

Mr. John Lowell, *Accountant*.

The hours of business were from ten till one, and from three till five o'clock. No greater sum than $3,000 to be discounted at one time for any one person, nor more than $5,000 in the aggregate to any one person.

Currency in 1635. — In the year 1635 the General Court of Massachusetts prohibited the currency of brass farthings, and ordered that musket-balls should pass for farthings.

Carolina Bills. — In the year 1712, South Carolina established a public bank, and issued £48,000 in bills of credit, called bank-bills, to be lent out at interest, on landed and personal security, and to be sunk gradually by £4,000 a year. Soon after the emission of these bank-bills, the rate of exchange and the price of produce rose, and in the first year advanced to 150, in the second to 200 per cent.

Pennsylvania Currency in 1723. — In the year 1723 the Province of Pennsylvania made its first experiment of a paper currency. It issued, in March, £15,000, on such terms as appeared likely to be effectual to keep up the credit of the bills. It made no loans, but on land security, or plate deposited in the loan office; obliged the borrowers to pay five per cent.; made its bills a legal tender in all payments, *on pain of confiscating the debt*, or forfeiting the commodity; imposed sufficient penalties on all persons who presumed to make any bargain or sale on cheaper terms in case of being paid in gold or silver. One eighth of the public debt thus created to be annually paid. In the same year a further issue of £30,000 was ordered.

True Banking. — No expectation of forbearance or indulgence should be encouraged. Favor and benevolence are not the attributes of good banking. Strict justice and the rigid performance of contracts are its proper foundation.

A repeal of the usury laws, so far as relates to notes of hand and bills of exchange, similar to that which took place in England in 1832, would undoubtedly have a highly beneficial effect in lessening the violence of a moneyed pressure, as there is abundant evidence it has done in that country. The pertinacity with which all the States cling to the usury laws, the remnant of the old feudal opinion that the people cannot be trusted to take care of their own interests, is remarkable, — especially after the example has been set by England. — *N. Appleton.*

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STATE FINANCES.

Statement showing the several Loans of the Commonwealth of Pennsylvania, their Rates per cent., Interest, Periods when reimbursable, and Amounts as they stood on the first day of December, 1850.

Loans.	*Interest.*	*Reimbursable.*	*Amount.*
Stock Loan per Act of			
April 2, 1821	6	June 1, 1841	$ 20,322.99
April 1, 1826	5	December 1, 1846	295,224.71
April 9, 1827	5	December 1, 1850	999,211.15
March 24, 1828	5	December 1, 1853	1,997,418.42
December 18, 1828	5	January 1, 1854	798,274.64
April 22, 1829	5	December 1, 1854	2,197,372.43
December 7, 1829	5	Bank charter loan,	50,000.00
March 13, 1830	5	March 4, 1858	3,994,809.28
March 21, 1831	5	July 1, 1856	2,481,201.81
March 28, 1831	5	March 28, 1861	120,000.00
March 30, 1831	5	July 1, 1856	298,966.43
March 30, 1832	5	July 1, 1860	2,343,437.62
April 5, 1832	5	July 1, 1860	300,000.00
February 16, 1833	5	July 1, 1858	2,539,880.13
March 1, 1833	4½	April 10, 1863	200,000.00
March 27, 1833	5	July 1, 1858	529,922.74
April 5, 1834	5	July 1, 1862	2,264,532.61
April 13, 1835	5	July 1, 1865	959,259.16
January 26, 1839	5	July 1, 1859	1,192,583.28
February 9, 1839	5	July 1, 1864	1,277,216.04
March 16, 1839	5	July 1, 1864	99,992.00
March 27, 1839	5	July 1, 1868	469,480.79
June 7, 1839	5	August 1, 1859	49,997.25
June 27, 1839	5	June 27, 1864	1,134,248.65
July 19, 1839	5	July 1, 1868	2,053,831.06
January 23, 1840	5	January 1, 1865	868,789.02
April 3, 1840	5	August 1, 1864	853,681.95
June 11, 1840	5	July 1, 1870	1,938,732.88
January 16, 1841	6	August 1, 1846	800.000.00
March 4, 1841	6	July and Nov., 1847	22,335.06
Loan (relief).			
May 4, 1841	0	May 4,1846	652,164.00
Stock Loan.			
May 5, 1841	5	Bank charter loans.	556,697.68
May 6, 1841	6	June 1, 1846	909,677.01
Interest Certificates.			
July 27, 1842	6	August 1, 1843	33,014.98
March 7, 1843	6	August 1, 1846	62,680.31
Stock Loan.			
April 29, 1844	5	March 1, 1849	59,294.39
Interest Certificates.			
May 31, 1844	5	August 1, 1846	66,438.61
Stock Loan.			
April 16, 1845	5	August 1, 1855	4,555,182.15
January 22, 1847	5	Bank charter loans,	71,654.00
April 11, 1848	6	April 11, 1853	159,687.45
Inclined Plane Loan.			
April 10, 1849	6	April 10, 1879	400.000.00
Total, ...			$ 40,677,214.68

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The loan per act of 20th April, 1846, for the construction of the outlet lock at Wells's Falls, originally $ 20,000, and now amounting to $ 16,000, is not embraced in the foregoing table, for the reason that the faith of the Commonwealth is not pledged for its redemption. It is reimbursable out of a fund arising from tolls on boats passing through said lock, and in that fund there was, on the 1st of October, 1850, applicable to a further payment of the principal and interest of said loan, the sum of $ 3,133.47.

The loans overdue, as well as those becoming due for each year, are as follows : —

Amount overdue	$ 3,106,065.31	Due in the year 1863	200,000.00
Due in the year 1853	2,157,105.87	" " 1864	3,265,138.64
" " 1854	2,995,647.07	" " 1865	1,828,048.18
" " 1855	4,555,182.15	" " 1868	2,523,311.85
" " 1856	2,780,168.24	" " 1870	1,938,732.88
" " 1858	7,064,612.15	" " 1879	400,000.00
" " 1859	1,242,580.53	Other loans,	1,492,651.58
" " 1860	2,643,437.62		
" " 1861	120,000.00	Total,	$ 40,677,214.68
" " 1862	2,264,532.61		

Receipts and Expenditures of Pennsylvania for 1850 – 1851.

Estimate of the Receipts and Expenditures of the present, with the Estimate of last Year, and the actual Receipts at the Treasury.

Payments.	*Estimate for* 1850.	*Payments for* 1850.	*Estimate for* 1851.
Public improvement,	$ 640,000	$ 1,488,799.74	$ 800,000
Expenses of government,	235,000	262,899.71	250,000
Militia,	4,000	16,282.25	15,000
Pensions,	20,000	17,277.91	15,000
Charitable institutions,	80,000	62,267.85	60,000
Common schools,	200,000	213,728.49	200,000
Interest on loans,	2,005,000	2,004,714.51	2,005,000
Guaranties,	23,500	32,500.00	32,500
Domestic creditors,	10,000	6,387.41	10,000
Damages on public works,	20,000	28,068.34	25,000
Special Commissioners,	2,000	2,554.03	2,000
State Library,	2,000	1,000 00	2,000
Public buildings,	2,000	2,002.78	10,000
Penitentiaries,	15,000	19,283.79	15,000
House of Refuge,	5,000	6,000.00	5,000
Nicholson lands,	300	192.75	300
Escheats,	2,000	1,740.53	2,000
Abatement of State tax,	40,000	43,525.04	40,000
Counsel fees and Commissioners,	2,000	5,984.15	5,000
Miscellaneous,	5,000	8,180.44	5,000
Sinking Fund Commissioners,	293,000	318,364.03	250,000
Inclined Plane,	270,000	. . .	90,000
N. B. Canal,	150,000	. . .	250,000
Renewal of relief notes,	. . .	. . .	10,000
Expenses of Revenue Commissioners,	. . .	. . .	2,500
Total payments,	$ 4,034,800	$ 4,553,193.75	$ 4,101,300

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Receipts.	*Estimate for* 1850.	*Receipts for* 1850.	*Estimate for* 1851.
Lands,	$ 20,000	$ 16,378.58	$ 16,000
Auction commissions,	22,000	18,673.75	20,000
Auction duties,	50,000	44,898 22	45,000
Tax on bank dividends,	130,000	153,877.14	160,000
Tax on corporation stocks,	160,000	136,510.14	160,000
Tax on real and personal estate,	1,330,000	1,317,821.55	1,330,000
Licenses, taverns,	8 ,000	107,427.49	100,000
" retailers,	160,000	171,062.26	175,000
" peddlers,	3,000	2,525.05	3,000
" brokers,	12,000	10,228.73	11,000
" theatres,	3,000	2,384.50	2,500
" billiard-rooms, &c.,	5,000	3,045.81	4,000
" distillery, &c.,	1,500	4,203.91	5,000
" eating-houses, &c.,	15,000	6,530.97	10,000
" patent medicine,	3,000	2,633.04	3,000
Pamphlet laws,	500	345.58	500
Militia fines,	2,000	12,953.73	10,000
Tax on writs,	40,000	45,409.47	45,000
Tax on offices,	20,000	14,047.21	15,000
On collateral inheritance,	200,000	102,295.07	150,000
Canal and road tolls,	1,825,000	1,713,848 16	1,800,000
Sale of old materials,	5,000	6,953.64	5,000
Enrolment of laws,	11,000	10,270.00	12,000
Premium on charters,	40,000	89,262.21	40,000
Tax on loans,	125,000	119,356.30	120,000
Inclined Plane loan,	270,000	270,000.00	. . .
Dividends of turnpike stocks,	2,000	2,460.00	2,000
Nicholson lands,	300	. . .	. . .
Accrued interest,	5,000	3,674.32	5,000
Refunded cash,	5,000	13,278.61	5,000
Escheats,	2,000	. . .	1,000
Fees of public offices,	2,000	3,687.20	4,000
Miscellaneous,	2,000	1,740.33	5,000
Interest on stock purchased,	15,000	13,721.27	30,000
Foreign insurance agencies,	. . .	2,760.83	3,000
Total receipts,	$ 4,566,300	$ 4,438,131.51	$ 4,296,000

Banking System of Pennsylvania.

From the Annual Message of Governor Johnston to the Legislature, December, 1850.

A system of banking, based upon State stocks, under proper restrictions, is recommended to the attention of the Legislature. It is thought that the present banking facilities are unequal to the wants of the business community. The large amount of notes of banks of other States found in circulation among our people, the inability of the banks, with safety to their credit, to accommodate at all times the active *bonâ fide* business demands of the country, and the large operations in the nature of private banking daily transacted on severe terms to the borrower, demonstrate that increased facilities are demanded to secure a healthy development of our resources. Any considerable extension of the present

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system is hardly to be anticipated, nor is it desirable, if a more permanent basis for such operations can be devised. Free banking upon a deposit and pledge of public stocks early recommended itself to favor. It is not liable to sudden expansions and contractions, is more secure from failure, less obnoxious to counterfeiting and fraud, and offers undoubted security to the note holder. Should the stock required be the loans of the Commonwealth, it would appreciate their value, and also have a tendency to withdraw them from foreign countries, to which are annually sent millions of the public money to pay interest. A recall of these stocks, and the discharge of the interest to the resident citizens, would lead to the expenditure of an equal amount at home, thereby affording employment to the people in the improvements of the State, in the erection of industrial institutions, and in various works of beauty and taste. If this system is favorably regarded, a relinquishment of a portion of the interest on the stocks pledged would be directly advantageous to the Treasury.

The confidence felt in their security, and the desire to use the relief notes, when kept in good condition, justify the belief that an issue of small notes from State institutions, founded on a deposit of stocks, would be highly acceptable to the people.

MINERAL RESOURCES OF NORTH CAROLINA.

From the New York Journal of Commerce.

FEW States in the Union can boast of greater natural resources of indigenous wealth than this, and her rich and invaluable treasures of gold, copper, iron, coal, marble, marl, slates, and plumbago, are beginning to receive a just appreciation, and are opening new avenues of wealth and prosperity. The nearest gold mine to this place, now in operation, is in the vicinity of Greensborough, in Guilford County, some eighty or ninety miles distant. The works are conducted by Messrs. Adams, Fields, & Co., who employ about thirty hands, one half of whom are white laborers. These last, however, are very uncertain help, and cannot be relied upon. At the South, white labor is becoming more and more customary in the towns, but it will be long before the heavy, laborious toil of country life, and other servile occupations, will devolve exclusively upon white hands. The political policy that would suddenly overthrow the industrial pursuits of a people; that would foster vagrancy and insubordination, and destroy at a blow the established relationships of society, even to correct an evil which time and wise counsels alone can only gradually and effectually remove, is not only short-sighted, but would, in the end, be attended by the most disastrous consequences; and if adopted, the South would suffer far more than Spain and Portugal under the reigns of Ferdinand and Emanuel, in the latter part of the fifteenth century, whose bigoted intolerance expelled the Jews and Moors from their dominions, and crippled

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the resources of their kingdoms by the banishment and subversion of the most industrious and operative classes.

But in regard to the operations in gold. The mine above alluded to is known by the name of the Hodgkin's Hill Mine. It is worked to the depth of one hundred and twenty feet, and the yield is considered as fully equal to the average productions of the California mines. The gold maniacs at the North might here find a plenty of hard work and steady employment at a dollar and a half or two dollars *per diem*, hog and hominy, good persimmon beer, and sweet potatoes, all included in the bargain. A steam-engine of great power is used on the spot. The ore is ground by means of a Chilian mill, and stamped by stampers. Next, it is run through drag-mills, and then put through a washing-mill, after which it is subjected to the action of a rocker. Quicksilver is employed in this stage to produce an amalgam from which the gold is easily obtained. The ore is found to be largely impregnated with copper, which is at present thrown away, but will be soon turned to account, as it is, in reality, more valuable even than the gold. The most extensive gold mine worked in North Carolina is said to be in Rowan County, not far from Salisbury.

The recent discovery of large and valuable deposits of coal in the interior of the State, together with the necessity of keeping pace with an age of progress, has invited attention to works of general utility. Iron and steam will soon achieve their magical transformations and astonishing innovations here. An enterprise of great magnitude is now on foot. The Cape Fear is already navigable as far as Fayetteville, and appropriations have been made to extend this communication one hundred and twenty miles farther, to reach the head of navigation on Deep River, which is the left branch of the Upper Cape Fear. A bill is now before the House to construct a portage road from that point, across the country, to the Yadkin, and to render this stream navigable one hundred and sixty miles higher up to Wilkesborough, which will embrace a distance of four hundred and forty miles or thereabouts, to Wilmington on the seaboard, thus opening to the East the ample stores of wealth contained in the valleys of the Deep and Yadkin Rivers. The spacious coal mines recently discovered are found in the valley of the first-named river. They are more properly coal fields, and may be traced through the country to the extent of twenty, thirty, and by some it is supposed even sixty miles. The quality of the mineral is said to be very superior. Three different kinds have been ascertained, and a portion of these mines has already been secured by Northern capital, ever on the alert for lucrative investments. Large deposits of iron, according to the customory geological associations, are found in connection with this coal.

COURTESY. — All the officers of the company who come into communication with the public should be instructed to behave with the utmost courtesy; and if they do so, they are entitled to courtesy in return. No shareholder should address an officer of the company as if he were his own individual servant; nor should he, in his transactions with the company, expect any undue attention or preference on account of his being a shareholder. When a company has occasion, in its annual report or public documents, to refer to the proceedings of other companies, it should always be done in the language of courtesy. — *J. W. Gilbart.*

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BANK STATISTICS.

New Laws Relating to Banking in Indiana and Tennessee.

I. INDIANA.

Article XI. *of the Proposed Constitution.*

CORPORATIONS.

SECTION 1. The General Assembly shall not have power to establish or incorporate any bank or banking company, or moneyed institution, for the purpose of issuing bills of credit, or bills payable to order or bearer, except under the conditions prescribed in this constitution.

Section 2. No banks shall be established otherwise than under a general banking law, except as provided in the fourth section of this article.

Section 3. If the General Assembly shall enact a general banking law, such law shall provide for the registry and countersigning, by an officer of State, of all paper credit designed to be circulated as money; and ample collateral security, readily convertible into specie, for the redemption of the same in gold or silver, shall be required, which collateral security shall be under the control of the proper officer or officers of State.

Section 4. The General Assembly may also charter a bank, with branches, without collateral security, as required in the preceding section.

Section 5. If the General Assembly shall establish a bank with branches, the branches shall be mutually responsible for each other's liabilities upon all paper credit issued as money.

Section 6. The stockholders in every bank or banking company shall be individually responsible to an amount, over and above their stock, equal to their respective shares of stock, for all debts or liabilities of said bank or banking company.

Section 7. All bills or notes issued as money shall be, at all times, redeemable in gold or silver; and no law shall be passed sanctioning, directly or indirectly, the suspension, by any bank or banking company, of specie payments.

Section 8. Holders of bank-notes shall be entitled, in case of insolvency, to preference of payment over all other creditors.

Section 9. No bank shall receive, directly or indirectly, a greater rate of interest than shall be allowed by law to individuals loaning money.

Section 10. Every bank or banking company shall be required to cease all banking operations within twenty years from the time of its organization, and promptly thereafter to close its business.

Section 11. The General Assembly is not prohibited from investing the Trust Funds in a bank with branches; but, in case of such investment, the safety of the same shall be guaranteed by unquestionable security.

Section 12. The State shall not be a stockholder in any bank after the expiration of the present bank charter; nor shall the credit of the State

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ever be given or loaned in aid of any person, association, or corporation; nor shall the State hereafter become a stockholder in any corporation or association.

II. Tennessee.

An Act to Relieve the Bank of Tennessee, to sell the Stock in Union and Planters' Banks, and to purchase the Outstanding Bonds of the State of Tennessee. Passed 9th February, 1850.

Section 1. *Be it enacted by the General Assembly of the State of Tennessee*, That from and after the passage of this act, the President and Directors of the Bank of Tennessee shall declare semiannual dividends of the bank and branches, on the first of January and first of July of each year, and, as soon thereafter as the net amount of said dividends can be ascertained, shall pay over the same to the Treasurer of the State, taking his receipt therefor, which shall be made to appear in the biennial reports to the General Assembly, of both the Treasurer and the Bank.

Section 2. That the Treasurer shall, out of the dividends so declared and paid over, or any other moneys in the Treasury not otherwise appropriated, pay annually to common schools and academies the sums heretofore appropriated by law, upon the warrant of the Comptroller; and that the bank shall keep and disburse said appropriations as now required by law.

Section 3. That the Treasurer shall also pay out of said dividends, or any other moneys in the Treasury not otherwise appropriated, the interest upon the outstanding bonds of the State that may from time to time become due upon the warrant of the Comptroller. *Provided*, however, that the Bank of Tennessee shall act as agent of the Treasurer in paying the interest that may be due and payable at Philadelphia and New York.

Section 4. That the President and Directors of the Bank of Tennessee, with the advice and consent of the Governor, shall be authorized to sell or dispose of the stock in the Union and Planters' Banks upon such terms as they may deem expedient for the interest of the State, and apply the proceeds to the purchase of State bonds at a rate not exceeding their par value, giving preference to the bonds issued for stock in the Union Bank, if the same can be purchased at a reasonable rate. *Provided* the bonds purchased or received in exchange of the school-fund stock in said banks shall have indorsed thereon "School Fund Bonds," the interest on which shall be annually applied to common school purposes, as now provided for by law.

Section 5. That said President and Directors are hereby authorized to use any money that may be in the Treasury over and above the amount required to pay the current expenses of the State, the appropriations to schools and academies, and the interest upon the bonds of the State, in purchasing any of said bonds that may be outstanding, and they are hereby required to make a full statement in their biennial reports, showing the amount of bank stock that has been sold, and at what price; the amount of bonds purchased, and at what price; and also the amount drawn from the Treasury and used in the purchase of said bonds.

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TABULAR STATEMENT OF THE CONDITION OF THE BANKS OF PENNSYLVANIA, NOV., 1850.

From the Official Report of the Auditor of State.

LIABILITIES.	*Capital Stock.*	*Circulation.*	*Due other Banks.*	*Due Depositors.*	*Dividends unpaid.*	*Contingent Fund.*	*Discount.*	*Profit and Loss.*
Bank of Pennsylvania,	$ 1,875,000	$ 460,361	$ 559,036	$ 1,232,708	$ 7,697	. . .	$ 90,262	$ 188,206
Philadelphia Bank,	1,150,000	427,798	1,028,761	1,374,819	52,779	$ 300,000	2,095	14,583
Bank of North America,	1,000,000	384,968	959,136	1,649,748	. . .	. . .	63,119	. . .
Commercial Bank of Pennsylvania,	1,000,000	260,740	350,605	879,752	3,031	127,280	58,182	. . .
Farmers and Mechanics' Bank of Philadelphia,	1,250,000	506,110	723,615	1,825,213	4,988	312,362	. . .	. . .
Girard Bank,	1,250,000	599,005	550,903	601,782	3,076	. . .	42,140	. . .
Southwark Bank,	250,000	194,995	163,991	649,250	300	. . .	29,175	20,564
Bank of Commerce,	250,000	113,450	69,587	570,170	145	30,322	24,654	. .
Mechanics' Bank of City and County of Phila.,	800,000	360,844	233,243	740,974	2,738	200,000	56,192	97,809
Western Bank of Philadelphia,	418,600	281,190	171,501	857,936	1,912	78,116	49,817	. . .
Bank of the Northern Liberties,	350,000	259,269	92,716	883,267	. . .	. . .	. . .	. . .
Bank of Penn Township,	225,000	162,085	83,836	570,101	544	52,173	24,276	25,098
Manufacturers and Mechanics' Bank, N. L.,	300,000	204,230	42,975	398,723	8,934	41,079	472	31,064
Kensington Bank,	250,000	163,072	34,700	542,882	504	51,534	24,138	. . .
Tradesmen's Bank of Philadelphia,	150,000	113,600	36,255	235,517	4,629	13,000	. . .	. . .
Bank of Germantown,	152,000	91,124	8,190	180,309	7,560	19,565	. . .	. . .
Total, 16 Philadelphia Banks,	$ 10,670,600	$ 4,602,841	$ 5,109,050	$ 13,194,151	$ 98,837	$ 1,225,431	$ 464,522	$ 377,324
Bank of Delaware County,	155,640	83,746	3,999	169,191	576	. . .	10,361	. . .
Bank of Chester County,	225,000	267,707	11,520	243,546	784	13,672	18,072	. . .
Farmers' Bank of Bucks County,	92,220	69,447	7,536	42,531	462	. . .	5,769	5,055
Doylestown Bank of Bucks County,	60.000	105,915	2,294	63,331	2,350	8,847	. . .	. . .
Easton Bank,	400,000	612,175	20,975	209,280	29,628	60,000	. . .	7,065
Miners' Bank of Pottsville,	199,920	254,826	33,998	125,617	927	28,700	10,026	283
Farmers' Bank of Schuylkill County,	100,000	104,790	12,037	41,169	. . .	10,392	74	. . .
Bank of Montgomery County,	381,995	173,324	23,436	185,399	1,467	47,402	22,503	. . .

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Lebanon Bank,	80,320	83,245	20,454	32,116	2,855	2,534	110	28
Farmers' Bank of Reading,	300,360	352,140	54,895	100,024	979	19,775	15,515	. . .
Lancaster Bank,	403,900	577,740	135,530	278,531	786	. . .	41,211	42,174
Lancaster County Bank,	171,718	227,760	69,565	79,502	9,263	10,544	1	. . .
Columbia Bank and Bridge Company,	307,300	130,905	13,708	77,200	1,719	. . .	16,118	19,726
York County Bank,	70,000	80,225	4,899	74,679	128	. . .	4,266	40
Bank of Gettysburg,	123,873	207,873	3,952	17,389	1,888	4,016	7,318	. . .
Bank of Chambersburg,	205,470	209,725	7,089	98,286	8,785	3,020	85	. . .
Harrisburg Bank,	300,000	364,640	18,743	140,822	1,752	. . .	19,522	. . .
Bank of Middletown,	100,000	267,895	10,421	150,249	. . .	. . .	16,244	. . .
Bank of Northumberland,	160,000	228,862	12,850	49,729	8,740	20,000	152	10,119
Wyoming Bank at Wilkesbarre,	85,330	37,507	16,830	56,287	2,907	. . .	. . .	6,344
Honesdale Bank,	100,000	286,610	. . .	24,281	188	. . .	3,175	16,000
West Branch Bank,	100,000	89,627	380	81,535	. . .	. . .	29,362	. . .
Bank of Pittsburg,	1,142,700	303,527	85,506	626,246	1,978	102,153	65,897	. . .
Exchange Bank of Pittsburg,	813,345	452,415	48,641	230,882	336	45,738	. . .	47,405
Merchants and Mechanics' Bank, Pittsburg,	600,000	386,457	26,991	178,880	25,464	70,883	. . .	. . .
Monongahela Bank of Brownsville,	175,000	180,390	19,993	53,112	. . .	2,156	8,878	1,221
Farmers and Merchants' Bank, Waynesburg,	100,000	222,640	2,048	15,524	1,150	. . .	6,539	849
Franklin Bank of Washington,	120,000	167,395	4,929	46,923	4,210	25,529	75	. . .
Dauphin Deposit Bank,	50,000	. . .	12,221	334,394	. . .	. . .	6,428	2,821
Farmers' Deposit Bank of Pittsburg,	62,500	. . .	. . .	153,094	. . .	24,000	763	. . .
Lancaster Savings Institution,	30,000	. . .	. . .	200,604	162	. . .	4,410	. . .
Hanover Savings Fund Society,	36,000	. . .	16,282	32,918	1,810	. . .	60	279
Farmers' Bank of Lancaster,	350,000	409,635	35,364	144,352	13,857	. . .	. . .	9,921
Carlisle Deposit Bank,	22,500	. . .	28,080	46,494	787	. . .	. . .	2,014
York Bank,	250,000	259,355	3,693	90,313	. . .	12,712	15,002	. . .
Bank of Danville,	165,770	186,970	11,771	27,989	. . .	. . .	. . .	5,557
Shrewsbury Savings Institution,	6,016	. . .	. . .	1,304	. . .	. . .	144	. . .
Somerset Savings Institution,	18,000	. . .	. . .	2,367	. . .	. . .	2,495	. . .
Totals (fractions omitted),	$ 18,675,484	$ 11,988,314	$ 5,889,691	$ 17,719,243	$ 224,789	$ 1,737,514	$ 795,119	$ 554,536

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TABULAR STATEMENT OF THE CONDITION OF THE BANKS OF PENNSYLVANIA, NOV., 1850.

From the Official Report of the Auditor of State.

Resources.	*Bills discounted.*	*Specie and Tr. Notes.*	*Due by Banks.*	*Notes and Checks.*	*Real Estate and Personal.*	*Bonds, Mortgages, &c.*	*Stocks.*	*Total Resources.*
Bank of Pennsylvania,	$ 3,083,402	$ 548,573	$ 253,178	$ 141,670	$ 90,855	$ 144,599	$ 18,190	$ 4,415,778
Philadelphia Bank,	2,930,768	665,650	385,868	307,158	67,576	. . .	23,840	4,380,862
Bank of North America,	2,331,419	650,512	510,301	. . .	51,932	. . .	96,267	4,322,671
Commercial Bank of Pennsylvania,	1,845,379	185,258	62,060	261,076	55,647	2,500	164,530	2,683,551
Farmers and Mechanics' Bank of Philadelphia,	2,485,248	510,049	121,786	400,134	80,099	6,617	200,823	4,622,289
Girard Bank,	1,402,671	431,478	757,130	. . .	. . .	651,729	. . .	3,249,874
Southwark Bank,	746,744	377,066	44,213	. . .	15,000	. . .	20,350	1,308,276
Bank of Commerce,	636,323	378,576	29,036	. . .	11,000	. . .	. . .	1,062,001
Mechanics' Bank of City and County of Phila.,	1,669,566	517,777	110,808	. . .	60,138	12,200	34,887	2,492,368
Western Bank of Philadelphia,	1,268,837	212,296	102,827	232,498	25,000	13,100	958	1,862,841
Bank of the Northern Liberties,	990,054	190,887	143,101	110,184	15,563	. . .	215,709	1,670,000
Bank of Penn Township,	817,287	201,446	36,380	. . .	20,005	7,850	6,947	1,144,577
Manufacturers and Mechanics' Bank, N. L.,	742,929	127,798	77,995	. . .	26,852	2,316	5,850	1,029,040
Kensington Bank,	794,608	142,874	13,833	60,219	15,720	1,000	6,308	1,086,832
Tradesmen's Bank of Philadelphia,	410,221	64,193	3,463	62,601	10,366	1,048	. . .	554,505
Bank of Germantown,	357,428	25,525	26,636	6,943	34,310	10,051	3,560	468,459
Total, 16 Philadelphia Banks,	$ 22,512,893	$ 5,229,966	$ 2,678,623	$ 1,582,486	$ 580,067	$ 853,014	$ 798,231	$ 36,354,033
Bank of Delaware County,	314,895	65,226	10,775	1,710	4,000	39,740	. . .	440,338
Bank of Chester County,	486,297	81,760	82,937	27,704	28,250	32,807	27,380	780,303
Farmers' Bank of Bucks County,	148,790	14,715	19,571	7,880	8,061	. . .	7,605	226,390
Doylestown Bank of Bucks County,	156,893	52,143	20,429	. . .	8,148	300	762	243,673
Easton Bank,	891,522	116,580	56,115	16,990	9,771	57,334	23,675	1,342,239
Miners' Bank of Pottsville,	349,814	21,365	117,331	47,196	44,369	49,977	18,285	655,987
Farmers' Bank of Schuylkill County,	215,699	22,059	51,964	3,140	6,678	3,854	. . .	303,770
Bank of Montgomery County,	635,332	65,482	21,505	2,061	9,433	25,243	2,830	835,528

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Lebanon Bank,	164,678	48,169	4,121	3,580	562	. . .	. . .	222,451
Farmers' Bank of Reading,	539,624	114,222	17,562	5,641	34,174	16,179	111,960	844,614
Lancaster Bank,	1,093,074	174,427	68,038	58,881	13,140	31,041	1,820	1,515,727
Lancaster County Bank,	465,939	55,559	2,360	13,245	8,503	25,088	. . .	570,697
Columbia Bank and Bridge Company,	224,384	22,970	38,792	12,578	. . .	. . .	254,255	567,575
York County Bank,	206,293	15,085	1,897	10,860	. . .	. . .	. . .	234,831
Bank of Gettysburg,	152,980	46,619	32,283	11,835	9,425	91,468	21,345	366,310
Bank of Chambersburg,	61,499	29,448	16,729	215,597	11,856	96,073	119,421	550,637
Harrisburg Bank,	424,861	52,280	99,994	24,241	42,729	75,494	92,277	846,038
Bank of Middletown,	369,385	162,774	8,112	12,080	5,534	22,500	6,000	588,907
Bank of Northumberland,	316,020	31,029	47,801	13,405	8,966	17,826	53,612	494,712
Wyoming Bank at Wilkesbarre,	124,755	12,291	35,564	1,460	2,213	18,922	10,000	205,208
Honesdale Bank,	171,415	34,877	146,014	72,924	9,527	. . .	1,200	440,347
West Branch Bank,	149,959	14,077	10,190	9,765	6,974	83,964	15,234	303,484
Bank of Pittsburg,	1,680,223	164,025	258,940	82,410	33,000	11,422	500	2,329,456
Exchange Bank of Pittsburg,	583,932	103,456	143,377	59,543	56,806	. . .	. . .	1,638,764
Merchants and Mechanics' Bank, Pittsburg,	922,120	84,932	189,880	68,135	23,170	23,500	10,393	1,322,183
Monongahela Bank of Brownsville,	273,537	107,486	33,711	8,373	4,132	3,655	12,823	444,541
Farmers and Merchants' Bank, Waynesburg,	213,678	25,677	74,543	16,518	3,251	11,856	17,925	363,925
Franklin Bank of Washington,	117,128	59,620	108,178	28,649	3,406	18,980	. . .	369,063
Dauphin Deposit Bank,	394,690	26,862	13,176	. . .	5,000	. . .	. . .	439,729
Farmers' Deposit Bank of Pittsburg,	210,721	25,345	4,256	. . .	. . .	. . .	. . .	240,358
Lancaster Savings Institution,	195,061	17,553	. .	. . .	10,175	896	11,281	236,734
Hanover Savings Fund Society,	82,528	3,242	. . .	. . .	. . .	. . .	. . .	87,351
Farmers' Bank of Lancaster,	668,510	56,255	113,550	23,916	6,000	43,826	57,459	969,538
Carlisle Deposit Bank,	95,491	2,740	5,310	21,823	4,500	. . .	. . .	129,877
York Bank,	523,265	31,260	41,455	10,905	6,686	. . .	23,600	651,075
Bank of Danville,	257,589	16,726	58,097	8,078	. . .	4,000	. . .	344,513
Shrewsbury Savings Institution,	7,040	176	. . .	. . .	. . .	. . .	. . .	7,465
Somerset Savings Institution,	20,444	1,371	. . .	. . .	. . .	. . .	. . .	22,862
Totals,	$ 36,408,022	$ 7,212,919	$ 4,633,193	$ 2,519,619	$ 1,008,534	$ 1,658,971	$ 1,699,868	$ 58,532,251

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BANKING IN NEW JERSEY.

The General Banking Law.

The supplement to the act authorizing free banking in New Jersey repeals so much of the original act as requires that persons associating for the purpose of banking shall be residents of the State, and provides that any association of persons formed may deposit, in addition to the stock mentioned in the original act, the stocks of the States of New York, Ohio, Kentucky, and Pennsylvania, as security for their circulation. It is provided, also, that the bills issued shall be stamped "secured by public stocks in the State treasury," or "secured by public stocks and bonds and mortgages in the State treasury," as the case may be. A majority of the directors must be residents of the State. The act goes into effect immediately.

The first section of the supplement to the act respecting executions, and regulating the sale of personal estate by virtue thereof (the Household Exemption Act), provides that household goods, chattels, and tradesmen's tools, to the value of $ 200, and all wearing apparel, the property of any debtor having a family residing in this State, shall be reserved as well before as after the death of the debtor, for the use of the family, against all creditors, and shall not be liable to be seized under an execution or other civil process, for the payment of any debts on any contract made after the passage of this act.

The second section enacts, that, in case any sheriff or other officer shall have an execution against any defendant having a family, who shall not have sufficient goods and chattels beyond those which are exempted, out of which the amount can be made, it shall be the duty of such sheriff or other officer to make a careful inventory of the goods and chattels of the defendant, and thereupon apply to one of the judges of the Court of Common Pleas of the county, to appoint three discreet persons, indifferent between the parties, to make a just appraisement of the goods and chattels levied upon, which persons, before they enter on their duties, shall be sworn before the said judge to honestly appraise such property according to the true and intrinsic value thereof, and without reference to what the same might be supposed to bring at a sale by vendue; which said oath shall be indorsed on the appointment and filed together with the clerk of the Common Pleas.

The third section provides that the appraisers shall appoint a time and place when they will make the appraisement, giving five days' notice to the plaintiff or his attorney, and shall at such time make a particular account of the articles with their values annexed, and sign the same; and if the amount shall exceed two hundred dollars, then the defendant may select articles to that amount for himself and family, and shall annex a written statement thereof, signed by himself, to the inventory; and the sheriff or other officer shall proceed and sell the residue of such goods and chattels in satisfaction of said execution; but in case the appraisement shall not exceed two hundred dollars, the officer shall leave the goods: and in either case he shall return the papers to the court from which the execution issued.

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The fourth section refers to the proceedings in case of the decease of a debtor having a family, and makes it the duty of the executor or administrator of such deceased debtor to apply as before for appraisers, who shall make an inventory and appraisement, and if the amount exceeds two hundred dollars, then the widow of the deceased, the executor or administrator, may select from the said articles to the above value, which shall be the property of the family. Nothing, however, contained in this section is permitted to conflict with provisions of the last will and testament of any debtor.

The fifth section provides that nothing in this bill shall be deemed or held to protect from sale, under any execution or process, any goods, chattels, or property for the purchase whereof the debt or demand for which the judgment on which the execution or process was issued shall have been contracted.

The sixth section declares the fees to which the several officers and appraisers are entitled under the proceedings as given above. The sheriff, judge, and appraisers are to have fifty cents each, and the clerk eight cents, to be paid by the defendant in execution.

The seventh section repeals all conflicting portions of the original act. The law does not go into effect until the 4th of July, 1851.

BANKING IN CINCINNATI.

From the Cincinnati Gazette.

Banks and Banking.

From the last number of that valuable work, the *Bankers' Magazine*, the following statement is gleaned, showing the number of banks and the amount of capital in our principal cities: —

Cities.	*No. of Banks.*	*Capital.*	*Population.*
Boston, Mass.,	30	21,760,000	135,000
Providence, R. I.,	24	8,173,437	45,000
Albany, N. Y.,	6	2,162,700	50,000
Troy, N. Y.,	5	1,518,000	25,000
Hartford, Conn.,	6	4,062,300	18,000
New Haven, Conn.,	4	1,681,875	23,000
Newark, N. J.,	3	1,408,650	40,000
Baltimore, Md.,	12	7,075,794	169,000
Richmond, Va.,	3	2,114,000	28,000
Charleston, S. C.,	7	9,153,583	40,000
Augusta, Ga.,	6	2,624,900	12,000
Savannah, Ga.,	4	2,069,940	15,000
New Orleans,	5	13,600,000	145,000
Nashville, Tenn.,	3	4,841,500	12,000
Louisville, Ky.,	3	2,960,000	42,000
Cincinnati, Ohio,	6	1,682,026	116,000
Ohio, exclusive of Cincinnati,	51	5,745,145	
Pittsburg,	4	2,618,865	83,000

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The foregoing statement might be submitted, without a word of comment, to show how totally inadequate the banking capital of Cincinnati is, to meet the business demands of the mercantile community. The cities nearest in population to Cincinnati are Boston, Baltimore, and New Orleans. In the first, with only 19,000 more inhabitants, there is a banking capital of over *twenty-one millions!* Baltimore, with 169,000 inhabitants, has almost as much banking capital as the whole State of Ohio, with its two millions of souls! While New Orleans, with 29,000 more inhabitants, has more than EIGHT TIMES the banking capital of Cincinnati! Even Nashville, with scarcely a tenth of our population, has nearly three times the amount of bank capital. The only two cities on the list which have less capital are Troy, N. Y., and Newark, N. J., both comparatively small, but highly flourishing, manufacturing places.

The idea that mercantile operations can be carried on without banks is fallacious, indeed preposterous. Where are there safer and sounder banks than in New England? Where is there a more industrious, thriving population than Cincinnati contains? That she has succeeded so well, in spite of the inadequacy of her banking facilities, is but farther proof of the energy, enterprise, and success of our merchants, manufacturers, and mechanics.

As a necessary consequence of the insufficiency of incorporated banking capital, numerous private banks have been established, and all seem to be doing a thriving business. They all, it is believed, allow interest on deposits, varying from six to ten per cent. What rate they charge is not positively known, but it is presumed to be not less than twelve, and from that up to fifty per cent. per annum. It will thus be seen that the mercantile community of Cincinnati are annually fleeced out of from twenty to twenty-five per cent. of their hard-earned profits in the shape of usurious interest. What capital of their own these private banks possess, there is no ready means of knowing; but it is known that they all trade upon the capital of others, i. e. the deposits of their customers.

A list of the principal private banks and bankers is subjoined, with the names of the chartered banks: —

W. Smead & Co.,	P. B. Manchester,	B. F. Sanford & Co.,
Ellis & Morton,	M. A. Bradley & Co.,	Brown & Ramsay,
Gilmore & Brotherton,	George Milne & Co.,	J. K. Glenn & Co.,
T. S. Goodman & Co.,	S. O. Almy,	Langdon & Hatch,
A. J. Wheeler,	N. P. Iglehart,	Wright, Clark, & Co.,
P. Outcalt & Co.,	B. McMicken,	Edward Lucas.

Besides a host of brokers, who are employed in shaving notes or getting them shaved.

The incorporated banks of Cincinnati are: —

	Capital.
1. Ohio Life Insurance and Trust Company,	$ 2,000,000
2. Lafayette Bank,	700,000
3. Franklin Branch, State Bank of Ohio,	169,000
4. Mechanics and Traders' Branch, do.,	100,000
5. Commercial Bank,	50,000
6. City Bank,	75,000

NOTE. — The banking capital of the Ohio Life Insurance and Trust Company is only $ 611,226, and this sum is borrowed for banking purposes, and constitutes no part of its capital stock.

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BANKING IN VIRGINIA.

From the Richmond Whig, March 28, 1851.

The Independent Banking System.

The Legislature has passed one or two of a series of bills establishing Independent Banks upon the basis of State stocks. These bills have been the subject of much discussion in the Senate, and, having passed that body with many amendments, may be regarded as establishing the policy of the State upon the subject of increasing the banking capital, and as to the future principles upon which banking institutions shall be established.

The following are the features of the acts establishing banks on the basis of State stock in the towns of Lynchburg and Staunton : —

1. A deposit with the Treasurer of State stock, original or guaranteed, for improvement companies, to the amount of the charter.
2. The executing and delivery of the notes for circulation, countersigned by the treasurer at the expense of the bank.
3. An obligation to pay the same bonus, and to keep on hand the same proportion of specie, as other banks.
4. Making the stockholders personally liable for the circulation, each stockholder to an amount equal to the stock held by him, for the express contracts of the bank.

We think a moderate increase of banking capital is rendered necessary by the increasing productions and enlarging commercial interests of the State ; and there is no doubt but that this increase of capital should be bestowed rather according to the exigencies of local trade than added to the capital of existing banks. But it would be, we think, imprudent in the Legislature to grant indiscriminate permission to establish banking institutions in every village of the interior, until the experiment now about to be made shall be successfully tested, by experiment at the points of principal importance, and where the experiment can have fair advantages. The most important use of banking capital is to cover the period between the shipment of produce and the receipt of returns. It should be always based upon the active operations and positive value of commerce ; it thus furnishes to personal enterprise those aids by which society secures the advantages arising from capital directed by skill. But banking capital, loaned to those who are not engaged in trade or enterprise, is an evil to the community upon which it is bestowed. Hence, the importance that the Legislature should examine with care the claims presented by the various localities for an increase of banking capital; that it should not bestow when it is unnecessary, nor withhold when it is.

There are some features in the independent banking system which are of great importance to the commercial community. A certain proportion of banking capital to the trade of a city is indispensable, even under the exclusive branch bank system. The losses or superior necessities of one commercial point may limit the means necessary to accommodate the trade of another ; a suspension or contraction at one point must be followed by a general suspension or contraction of all the connected insti-

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tutions. There is necessarily no sympathy between the trade of different banks; nor should a commercial crisis, or a large loss at Norfolk, affect the facilities of trade at Alexandria or Lynchburg. The staples at different cities may be different; the periods of shipment and returns may be different; and we do not see why they should be dependent upon or responsible for the operations of each other. The branch bank system is very useful for many purposes of domestic remittance and a common State currency; but the infusion of independent capital will have the good effect of supplying any accidental deficiencies, or correcting any temporary stagnation in the commercial facilities of the different cities of the Commonwealth. If an independent bank shall prove unsound, it will forthwith be put into commission and wound up. Its place will be supplied by an equal amount of independent capital, and the operations of trade will go on as before. If, however, we have nothing except a connected system of banks, mutually and reciprocally responsible, any embarrassment or restriction of the ordinary facilities throws the commercial community into the hands of the usurer, — those wretches who invariably reap the heaviest profits from the ruin of others. We like, therefore, the independent banking system as an aid of the branch bank system.

The growing and prosperous towns of Lynchburg, Wheeling, Charleston, Staunton, Portsmouth, and Alexandria have been, we believe, selected as the points of experiment. The amount of capital asked for by these applications will not be dangerous in amount, and the probable adoption of the State stock basis policy has, we learn, already created a demand for the stocks of the State, according to some statements, at an advance upon its previous value.

We think that three important fiscal measures of the present session of the Legislature will tend to place the fiscal condition of Virginia upon the firmest basis. The first was the prompt increase of taxes necessary to meet all her engagements, and to sustain the sinking fund; the second was the provision for paying the principal and interest of the State bonds, "in the United States or elsewhere," at the discretion of the Board of Public Works; and the third is the adoption of the independent banking system upon the basis of stocks issued by the State, or guaranteed to improvement companies.

These measures, followed by the wise action indicated by certain resolutions offered in the convention, which we had occasion to review and approve some weeks since, will make the credit of Virginia equal to that of any State in the Union.

These amendments of her fiscal system should, however, be followed by a distinct system of improvement, discarding and leaving to counties and individuals the construction of works of local and minor importance, and uniting the means of the State upon through lines, which have a purpose and a termination which the smaller ones entirely want. We are satisfied, from much experience, that $100,000 given to fragmentary dirt turnpikes will injure State credit more than a direct appropriation of a million to works of admitted general importance.

We trust that the State stock banking system may aid in relieving us, to some extent, of the dirty foreign circulation which oppresses us. We

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are invaded by the rags of North Carolina, of Maryland, and of Ohio. We are given to Cape Fear as a possession, and to Latham as an inheritance. No people were ever so wretchedly rag-ridden; and it is like some functional or cutaneous disease. There seems amongst our political doctors no specific whatever. We have been shown, by a merchant of this city, a chart of the currency of Virginia, made by pasting upon a long sheet of paper specimens of the various notes which our people are required to receive. This map of the currency comprises notes from almost every State, and from many of the private banking-houses of the other States. They are foundlings sent to be left at our own doors and provided for at our expense. They are worn out, consumed, and lost amongst us; every dollar of the foreign small-note circulation amongst us is a gain of almost that amount to the issuer. We hope that the operators of the independent banks will, by their operations in domestic exchanges, increase the specie circulation, and that we may anticipate a reflux in the tide of silver which has been draining us, leaving a vacuum to be filled by the foreign small notes. We anticipate from our rulers no relaxation of the policy of restricting the issues of small notes by our own banks, — a policy which was intended to secure the presence of specie, but which has failed to do so, the superior demand for silver having carried off that metal, and the necessities of the community having encouraged the introduction of foreign small notes in its place.

There is no difference whatsoever between the liabilities of a bank which has issued one hundred notes of one dollar each, and another which has issued one note of one hundred dollars, when the aggregate issues of both are limited by law. Since there is no difference in the responsibility of the banks for a given amount of issues, whether in large or small notes, and since the policy of promoting specie circulation by restricting the issue of small notes has failed, we think there is no reason why the experiment of allowing the issue of small notes by our own banks should not be made as an alternative of circulating the small notes of other States, and for the express purpose of carrying out the policy for which the restrictions were imposed.

Decisions of the Supreme Judicial Court of Massachusetts.

For the convenience of our New England subscribers, who wish to refer to the decisions of the Massachusetts courts upon Banking, we now append a reference list of the pages containing such cases. These will more fully explain the operation of the Bank Laws contained in our February No.: —

Banks, Banking, &c. — Vol. I. pp. 13, 14, 93, 94, 96, 97, 100, 101, 102, 103, 104, 105, 137, 139, 220, 570. Vol. II. pp. 570, 614, 615. Vol. IV. pp. 43, 44. Vol. V. pp. 232, 233.

Cashier, President, &c. — Vol. I. pp. 97, 101, 102, 105, 140, 141, 143, 353.

Promissory Notes, Bills of Exchange, &c. — Vol. I. pp. 146, 354, 355, 569, 570. Vol. II. p. 615. Vol. IV. p. 44. Vol. V. pp. 42, 43, 233, 234.

Notaries Public. — Vol. I. pp. 12, 13, 353, 354, 355. Vol. II. pp. 160, 167.

Bank-Notes. — Vol I. pp. 93, 94, 95, 96, 97, 102, 103, 105, 106, 108, 146.

Stockholders. — Vol. I. pp. 94, 137, 139.

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New York.

Statement of the Condition of the Banks in the City of New York on the 29th of March, 1851.

Incorporated Banks.	*Capital and Profits.*	*Loans.*	*Stocks.*	*Specie.*	*Circulation.*
Bank of the State of New York,	$ 2,328,780	$ 4,663,735	. . .	$ 826,859	$ 463,663
Bank of New York,	1,235,548	2,707,846	$ 154,190	1,117,936	476,128
Merchants' Bank,	1,792,384	3,954,174	137,200	895,716	298,205
Bank of America,	2,328,580	4,509,314	. . .	774,794	232,614
Mechanics' Bank,	1,804,706	4,063,420	3,750	373,267	678,462
Union Bank,	1,373,184	2,680,912	. . .	544,119	434,229
Phenix Bank,	1,287,431	3,039,455	13,718	269,929	327,273
Manhattan Co.,	2,251,982	4,092,871	2,400	409,230	441,923
City Bank,	901,735	1,681,764	. . .	197,801	139,508
Leather Manufacturers' Bank,	714,724	1,644,002	12,020	102,305	230,492
National Bank,	892,822	1,647,162	. . .	46,429	147,725
Butchers and Drovers' Bank,	674,053	1,590,859	. . .	78,463	308,832
Seventh Ward Bank,	567,273	1,293,521	. . .	122,727	278,220
Tradesmen's Bank,	532,978	1,403,351	10,950	63,255	259,544
Mechanics and Traders' Bank,	267,565	555,263	30,746	44,442	131,660
Dry Dock Bank,	200,917	202,980	2,181	11,399	27,770
Greenwich Bank (estimated),	300,000	530,000	4,000	20,000	180,000
Associated Banks.					
Bank of Commerce,	4,802,589	7,883,659	9,000	458,779	8,325
American Exchange Bank,	1,887,551	5,130,797	641,659	572,691	256,618
Merchants' Exchange Bank,	1,331,372	2,815,304	167,500	118,899	83,508
Mechanics' Banking Association,	692,166	1,406,692	348,011	121,216	279,800
North River Bank,	702,809	1,416,263	426,304	97,622	371,644
Chemical Bank,	609,599	1,384,257	311,009	159,112	294,401
Fulton Bank,	742,574	1,974,709	253,021	161,235	197,977
Ocean Bank,	1,052,902	1,427,465	186,746	143,441	123,610
Broadway Bank,	553,413	1,081,254	257,731	102,309	210,407
Bowery Bank,	400,000	1,036,899	207,735	47,303	195,170
Mercantile Bank,	496,318	923,043	129,150	42,439	98,568
Pacific Bank,	445,269	661,491	151,013	30,655	115,577
Bank of the Republic,	251,802	126,142	107,612	. . .	. . .
Chatham Bank,	225,513	81,564	. . .	15,887	25,759
Total, 31 banks,	$ 33,648,540	$ 67,720,163	$ 3,566,676	$ 7,970,259	$ 7,317,628

Incorporated Banks.	*Bank Notes on Hand.*	*Cash Items.*	*Due from Banks.*	*Due to Banks.*	*Deposits.*
Bank of the State of New York,	$ 167,951	$ 886,112	$ 861,988	$ 2,551,190	$ 2,152,472
Bank of New York,	298,198	373,780	117,815	367,690	2,506,927
Merchants' Bank,	656,338	1,148,485	359,033	1,818,680	2,682,942
Bank of America,	730,483	827,075	339,491	1,947,090	2,104,126
Mechanics' Bank,	257,989	843,715	333,833	1,132,149	2,107,877
Union Bank,	322,170	992,919	114,797	745,842	1,864,409
Phenix Bank,	433,796	851,364	126,183	907,250	1,926,067
Manhattan Co.,	233,160	626,911	196,494	626,757	2,225,762
City Bank,	238,292	288,261	146,382	139,426	1,216,672
Leather Manufacturers' Bank,	248,436	221,003	155,552	287,204	903,398
National Bank,	66,473	839,679	123,529	158,282	895,952
Butchers and Drovers' Bank,	41,163	157,261	36,681	85,052	876,960
Seventh Ward Bank,	71,780	91,245	70,464	49,259	725,034
Tradesmen's Bank,	14,282	66,143	44,421	37,003	786,205
Mechanics and Traders' Bank,	65,183	49,396	115,879	56,290	414,710
Dry Dock Bank,	108,239	19,257	72,042	11	70,173
Greenwich Bank (estimated),	19,853	30,000	100,000	62,000	290,000

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Associated Banks.	*Bank Notes on Hand.*	*Cash Items.*	*Due from Banks.*	*Due to Banks.*	*Deposits.*
Bank of Commerce,	625	965,400	91,397	2,134,820	2,605,224
American Exchange Bank,	181,233	994,262	224,983	2,723,795	2,695,596
Merchants' Exchange Bank,	71,352	251,033	266,485	832,058	1,249,135
Mechanics' Banking Association,	68,585	274,534	31,539	54,237	1,227,569
North River Bank,	32,537	186,990	47,933	206,111	967,842
Chemical Bank,	14,676	110,765	62,692	49,502	1,131,522
Fulton Bank,	52,423	185,240	112,178	744,107	1,048,261
Ocean Bank,	30,441	228,395	51,622	86,403	837,113
Broadway Bank,	16,893	116,875	50,977	15,866	834,822
Bowery Bank,	12,529	100,000	30,441	13,300	847,929
Mercantile Bank,	17,071	163,453	153,956	326,674	493,543
Pacific Bank,	16,487	18,062	27,817	20,674	329,147
Bank of the Republic,	. .	. .	270	1,592	90,824
Chatham Bank,	15,241	53,549	45,875	25,392	62,443
Total, 31 banks,	$4,503,922	$11,964,514	$4,515,754	$18,205,206	$38,170,656

Boston Banks.

Dividends of the Boston Banks, 1846 – 1851.

Name.	*Capital.*	*Year* 1846.	*Year* 1847.	*Year* 1848.	*Year* 1849.	*Year* 1850.	*April,* 1851.
Merchants' Bank,	$3,000,000	7	7	8	8	8	4
State Bank,	1,800,000	6	6	6½	7	7	3½
City Bank,	1,000,000	6	6	7	7	7½	3½
Globe Bank,	1,000,000	6½	7	7½	8	8	4
Suffolk Bank,	1,000,000	8	10	10	10	10	5
New England Bank,	1,000,000	6	8	8	8	8	4
Tremont Bank,	1,000,000	6	6½	7	7½	8	4
Union Bank,	1,000,000	6	7	7	7	8	4
Boston Bank,	900,000	7	7	8	8	8	4
Massachusetts Bank,	800,000	6	6	6	6	6	3
Bank of Commerce,	*750,000	.	.	.	.	new	5
North Bank,	750,000	6	6	6	6½	7	3½
Shoe and Leather Dealers'	*750,000	7½	8	9	8½	8½	4
Market Bank,	560,000	9	9½	10	10	10	5
Atlantic Bank,	500,000	6	6½	7	8	8	4
Atlas Bank,	500,000	6	6½	6½	7	7	3½
Bank of North America,	500,000	.	.	.	.	new	3½
Columbian Bank,	500,000	6	6	7	7½	7	3½
Eagle Bank,	*500,000	6½	6½	7	7	7	3½
Exchange Bank,	*500,000	new	new	8½	8	8	4
Granite Bank,	*500,000	7	6½	7	7	7	3½
Hamilton Bank,	500,000	7	7	7	7	7	4
Shawmut Bank,	500,000	6½	7	7½	7½	8	4
Washington Bank,	500,000	6	6½	6½	6	6	3
Traders' Bank,	*400,000	6	7	7½	8	8	4
Grocers' Bank,	*300,000	.	.	new	8	8	4
Freeman's Bank,	*250,000	8	8	8½	9	9	4½
Boylston Bank,	*200,000	5	8	8½	8	9	4½
Cochituate Bank,	*150,000	.	.	.	new	7	4
Mechanics' Bank,	150,000	8	8	8	8	8	4
Total capital, April, 1851,	$21,760,000						

* Additional capital applied for in 1851.

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A PRACTICAL TREATISE ON BANKING.

By J. W. GILBART, Esq.,

General Manager of the London and Westminster Bank.

This valuable Treatise on Banking has been republished in one volume octavo, by Mr. G. P. Putnam, of New York, and may be had of all booksellers. The whole will be contained in the Bankers' Magazine for 1851, and will thus be supplied to subscribers at a moderate cost. — Ed. B. M.

Section XIII. Banking Calculations, — Interest, — Exchange, — The Public Funds, — Par of Exchange, — Coin, — Market Value of Gold.
Section XIV. Banking Documents, — Bonds, — Deeds, — Declaration of Secrecy, — &c.

Of the general objects of the work, and of the manner in which he has endeavored to carry it out, the following is the author's own exposition: —

"To all persons who 'keep bankers' it must be useful to know by what rules bankers manage their business. They will thus be able to conduct their account so as to give satisfaction to their banker. And they will be able to judge how far he may be disposed to grant them such assistance as they may occasionally require. A large number of persons, especially in London, have not yet discovered the advantage of keeping a banker. They imagine that banks are merely places in which the opulent deposit their superfluous riches. The perusal of this work will be sufficient to show that the advantages of banking are not confined to the wealthy.

"This book is designed to be useful to the public at large, by circulating that kind of information which, as it becomes more widely diffused, will tend to prevent a recurrence of those evils that have, in too many instances, resulted from the bad administration of some of our banking institutions." — *London Morning Chronicle, October*, 1850.

"In keeping books by single entry, the *Daily-Books* are kept in the same manner as in double entry, with the exception of a column of reference to the Ledger in each book, which takes the place of a column of reference in the Journal, — this book being dispensed with. The entries are posted directly from the Daily-Books into the Ledger. In the Ledger, by single entry, strictly speaking, there ought to be only one kind of accounts; namely, Personal Accounts, including all persons to whom a merchant becomes indebted, and all persons who become indebted to him." (*Wallace's Pocket-Guide to Commercial Book-keeping.*)

It will be seen from this account, that, in mercantile book-keeping by single entry, the merchant's Ledger resembles the Current-Account-Ledger of the banker. In single entry the merchant dispenses altogether with his Journal; but the banker usually retains his Day-Book, even when he does not keep a General-Ledger. But, in this case, the Day-Book contains only the debits and credits, individually, of the Current Accounts, which are posted afterwards into the Current-Account-Ledger. In the horizontal system, as we have stated, the debits and credits of the current accounts are not entered individually in the Day-Book, but the total amounts are taken from the Paid and Received Waste-Books.

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Section XIII. — BANKING CALCULATIONS.

When a bill is discounted, the party is credited for the full amount, and debited for the interest. The interest is calculated from the day on which the bill is discounted to the time it falls due. The shortest way is to make use of an interest book; but if it be done with the pen, the following rule may be useful. Multiply the amount of the bill by the number of days. To the product add one third of itself, one tenth of that third, and one tenth of that tenth. From the total strike off four figures to the right for decimals. This will give the interest at 5 per cent., in pounds and decimal parts of a pound. The decimals are to be brought into shillings and pence, by multiplying by twenty and twelve. The interest of any sum at a different rate per cent. may be found in the same way, if you multiply the principal by twice the rate of interest, and strike off five figures for decimals instead of four.

Example. — It is required to find the interest of £ 500 for ninety days at 5 and 3½ per cent.

	£		£	
	500	principal.	500	principal.
	90	number of days.	7	twice the rate of interest.
1-3d	45,000		3,500	
1-10th	15,000		90	number of days.
1-10th	1,500			
	150		1-3d 315,000	
			1-10th 105,000	
	6·1650		1-10th 10,500	
	20		1,050	
	3·3300		4·31550	
	12		20	
	3·9600		6·31000	
			12	
			3·72000	

Answer — £ 6 3*s.* 3*d.* at 5 per cent.
" £ 4 6*s.* 3*d.* at 3½ per cent.

It must be observed, however, that this method of calculation is not exactly correct; it produces nearly a farthing too much on every 10*l.* of interest. In calculating large sums, therefore, the amount of these farthings must be deducted.

This mode of calculation is founded upon the rule, that whenever you have to divide by any number under 100, you may divide by 100; after having added to the dividend such a proportion of itself as the difference between the divisor and 100 bears to the divisor, the result will be the same as though you had divided in the usual way. This rule is best explained by an example.

Suppose you have to divide 2,500 by 40. Now if 40 be subtracted from 100, there will remain 60. The proportion which 60 bears to 40 is 1½. If then you add to the dividend 1½ times itself, and divide by 100, you have the quotient required; thus —

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2500
2500
1250

62·50 Answer, 62½.

Now then, to find the interest upon any sum for one day, you may divide by 7,300, or, striking off the ciphers, by 73. The number required to make up 100 is 27. What is the proportion between 27 and 73? If If you take the third of 73, a tenth of that third, and a tenth of that tenth, you have something more than 27. And if you add to 73 one third of itself, one tenth of that third, and one tenth of that tenth, you will have $100\frac{1}{100}$, which divided by 100 will give $1_{\frac{1}{10,000}}$. As the proportion is not exact, the interest given by the above rule will always be $\frac{1}{10,000}$th part too much, which is about a farthing in every £ 10 interest.

In taking the interest for any number of months, it will be useful to remember that the interest of £ 1 for one month at 5 per cent. is 1*d*. Thus the interest of £ 100 for two months is twice a hundred pence, or 16*s*. 8*d*. The interest upon shillings and pence is never taken into the account. If the fraction is more than 10*s*. it is regarded as £ 1; and if it be less, it is not noticed.

The interest for any number of months, at any rate per cent., may be found by multiplying the number of months by the rate of interest: with this sum divide 1,200. By this quotient divide the principal, and you have the interest required.

Example. — What is the interest of £ 10,000 at 4 per cent. for three months? 4 multiplied by 3 gives 12 — divide 1,200 by 12, and you have 100; then divide 10,000 by 100, and you have £ 100, the interest required.

To find the interest of any sum of money at 6 per cent. for any number of months. This and the subsequent rules may be found illustrated in *Crossley's Intellectual Calculator*, in *Fryer's Mental Arithmetic*, and in similar works.

Rule. — Multiply the number of pounds by the number of months, cut off the unit figure, and the remainder is the answer in shillings. The unit figure multiplied by 1½ will give the pence.

Example. — What is the interest of £ 13,476 10*s*. 8*d*. for 6 months at 6 per cent. per annum?

£	*s.*	*d.*
13,476	10	8
		6
20) 80,859	4	0

404 · 5 · 10

Having obtained the interest of any sum at 6 per cent., it is easy to find the interest at 1½, 2, 3, or 4 per cent. by taking ¼, ⅓, ½, or ⅔ the interest, as the case may be.

To find one year's interest at any rate per cent.

Rule. — Multiply the money lent by double the rate per cent., reject the unit figure, and you have the answer in shillings.

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Example. — What is the interest of £27 10*s.* for one year at 3 per cent.?

£	*s.*	
27	10	
	6	double the interest.
16·5	0	
12		
6·0		Answer, 16*s.* 6*d.*

To find the interest of any sum of money at 5 per cent. for any number of months.

Rule. — Take the pounds as pence, and multiply by the months.

Example. — What is the interest of £120 at 5 per cent. for 8 months?

	s.	
120 pence =	10	
	8	number of months.
£4 0 0		Answer.

To find the interest of any number of days at 5 per cent.

Rule. — Multiply the days by one third of the pounds, or the pounds by one third of the days, reject the unit figure, and you have the answer in pence. — N. B. As this rule is founded on the assumption that the year consists of only 360 days, you must deduct one penny from every six shillings of interest.

Example. — What is the interest of £120 for 21 days at 5 per cent.?

£120		Or	21 days.	
7 = ⅓ of 21 days.			40 = ⅓ of the pounds.	
12) 84,0			12) 84,0	
7 shillings.	Answer.		7 shillings.	Answer.

There is often a difference in the amount of interest according to the method of calculation, either by months or by days. A month from the 10th of February to the 10th of March, is only 28 days; but from the 10th of March to the 10th of April, a month is 31 days. The half year from the 1st of January to the 30th of June, is 181 days; but from the 1st of July to the 31st of December, the half year is 184 days. The interest of £10,000 for 6 months is £250; for 181 days it is only £247 18*s.* 11*d.*; for 184 days it is £252 1*s.* 1*d.* Mr. Reader has published a series of Time Tables, showing the number of days from every day in the year to any other day in the year.

Interest tables, calculated at any rate of interest, may occasionally be employed to ascertain the interest on any sum at a different rate. This is done by taking that proportion of the principal, or of the time, which the given rate of interest bears to the rate of the interest tables. For example, if it be necessary to ascertain the discount on a bill of £100 for 50 days at 4 per cent., and you have interest tables calculated at 5 per cent., you may take either four fifths of the time or four fifths of the amount. For, the interest of £100 for 40 days, or the interest of

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£ 80 for 50 days, at 5 per cent., is equal to the interest of £ 100 for 50 days at 4 per cent.

When a bill is discounted, bankers charge interest on the full amount of the bill, and take it at the time. Thus, if a bill be discounted at 5 per cent., they will obtain more than 5 per cent. on the money actually advanced. This is allowed by law, and is not liable to be set aside on the ground of usury. Should it be necessary in other cases to allow discount or rebate, the mode of calculating it would be thus: —

Example. — What is the rebate at 5 per cent. on a sum to be received a year hence? Then, as 105 is to 100, so is 100 to the sum required.

105 : 100 : : 100 Answer £ 95. 4*s*. $9\frac{3}{21}$*d*.

100

105) 10,000 (95
945
550
525
25
20
105) 500 (4
420
80
12
105) 960 ($9\frac{3}{21}$
945
15

When you have to find the interest of a large sum for one day, you may strike off two figures from the right hand, and take the interest of the remainder for 100 days. Thus, if you have to find the interest of £ 47,863,47 for one day, take the interest of £ 47,863 for 100 days, then take the interest of £ 47 for one day, and add the two sums together. The interest of £ 1 for 100 days is the same as the interest of £ 100 for one day. It may be given as a general rule, that a different time and sum may be employed, provided they yield the same product when multiplied together. Thus, the interest of £ 10,000 for one day is the same as the interest of £ 1,000 for 10 days.

Bankers differ in their mode of calculating the interest upon current accounts. Some have an Interest-Ledger, or cash columns ruled in the Current-Account-Ledger, in which they state the interest upon every individual item in the account. Thus, for instance, the general balance takes place the 30th of June, and the 31st of December. If a sum of money is paid in on the 1st of May, the interest is calculated on that amount from the 1st of May to the 30th of June, and is then carried to the *credit* of the party's interest account. On the other hand, if a cheque be drawn on the 1st of May, the interest is calculated and carried to the *debit* of the interest account. On the 30th of June, the interest account

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is balanced, and the balance is carried to the debit or credit of the party's current account. Other bankers take off the balance of the current account into a separate book (or have columns ruled in the ledger for bringing out the balances [see p. 158]) for every day, from the 1st of January to the 30th of June; add all these amounts together, and then take the interest of the total for one day. To take the interest for one day is a very easy operation. The interest of any sum for one year at 5 per cent. is one twentieth part of the principal, and the interest for one day is the 365th part of the interest for a year. Now, 365 multiplied by 20 gives 7,300. You have then only to divide any sum by 7,300, and you have the interest of that sum for one day at 5 per cent. per annum. The interest of any sum for one day at any other rate than 5 per cent. may be found by multiplying the principal by twice the rate of interest, and dividing the product by 73,000. But the best way is to make use of Gilmer's Interest Tables, published by Sims & M'Intyre, of Belfast. Similar Tables have also been published by Mr. Coulthart, manager of the Ashton-under-Lyne Joint-Stock Bank.

Banks who compound for the stamp duty on their notes and twenty-one day bills on London calculate the sum to be paid, by ascertaining the amount in actual circulation every Saturday night. The amounts for all the Saturdays in the half year being added together, and divided by 26, the number of weeks, the quotient shows the average amount in circulation during that period, and the duty paid is at the rate of 3*s.* 6*d.* per cent. upon this average amount. This is at the rate of 7*s.* per cent. upon the average annual amount.

To ascertain what denomination of notes remains the longest in circulation, let the total average circulation for any given period be represented by the number 1,000; and let the amount of each particular denomination be represented by a proportionate part of 1,000. Then let the total amount of notes paid during the same period be represented by 1,000, and the amount of each denomination of notes be proportionally ascertained; then place these two series of numbers in juxta-position, and it will immediately be seen what denomination of notes remain out the longest. For instance, if the average amount of a banker's circulation consist of £20,000 in £5 notes; £15,000 in £10 notes; £10,000 in £20 notes; and £5,000 in £50 notes, then the proportionate numbers will stand thus: —

Total Circulation.	£5.	£10.	£20.	£50.
1,000	400	300	200	100

Then, if during the same period the amount of notes paid of different denominations have been £15,000 in £5 notes; £15,000 in £10 notes; £12,000 in £20 notes; and £8,000 in £50 notes, the proportional numbers will stand thus: —

Total Paid.	£5.	£10.	£20.	£50.
1,000	300	300	240	160

By placing these numbers under the preceding ones, it will be perceived that the amount of £5 notes paid is less than the proportional amount in circulation; and, consequently, notes of this denomination re-

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main out the longest; the £10 notes remain out a less time; the £20 a still shorter term; and the £50 notes the shortest term of all.

To ascertain how long a banker's notes remain out, take the average amount in circulation for any given period, say three months; ascertain the amount of notes paid during that period. If the amount paid during the three months is twice the average amount in circulation, then the notes have remained out six weeks. If the amount paid is three times the amount in circulation, then the notes have remained out one month. The term which any particular denomination of notes remains in circulation can of course be ascertained in the way I have already described. These calculations are easily made by a table of logarithms.

The following Account shows the Average Amount of Bank of England Notes in Circulation, distinguishing the Denominations, together with the number of Days the Notes remained out, in the October Quarter 1843, 1844, 1845, 1846, *and* 1847: —

	October Quarter, 1843.		October Quarter, 1844.		October Quarter, 1845.		October Quarter, 1846.		October Quarter, 1847.	
	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.
	£		£		£		£		£	
£5	4,879,000	88.0	5,651,000	86.8	5,911,000	77.8	6,143,000	80.6	5,816,000	74.0
£10	3,440,000	91.3	3,881,000	91.4	3,992,000	78.3	4,046,000	79.5	3,759,000	73.6
£20	1,221,000	67.4	1,417,000	66.7	1,473,000	58.6	1,458,000	58.9	1,398,000	54.3
£30	342,000	23.2	264,000	23.0	236,000	21.1	228,000	20.8	218,000	19.3
£40	264,000	17.4	221,000	17.2	205,000	15.5	193,000	15.0	180,000	13.3
£50	1,548,000	46.2	1,751,000	48.5	1,773,000	39.8	1,660,000	40.1	1,636,000	37.0
£100	1,894,000	34.9	2,249,000	34.1	2,383,000	29.0	2,243,000	27.1	2,294,000	26.2
£200	392,000	14.8	399,000	14.4	400,000	12.9	373,000	12.3	362,000	10.9
£300	370,000	12.2	397,000	12.4	388,000	10.8	381,000	10.8	354,000	9.0
£500	870,000	14.1	827,000	13.8	903,000	12.1	794,000	12.0	803,000	10.3
£1,000	2,924,000	12.2	3,082,000	10.3	3,432,000	10.1	2,921,000	8.9	2,355,000	7.3

In calculating commissions for 1 per cent., divide by 100; for ½ per cent., by 200; for ¼ per cent., by 400; for ⅛ per cent., by 800.

In calculating the dividends on stock, if it be in the 4 per cents., the half yearly dividends will be one fiftieth part of the principal. Hence, multiply by 2, and divide by 100.

If the stock be 3 per cents., the half yearly dividend will be $\frac{3}{200}$ths of the principal. Hence, add to the principal one half of itself, and divide by 100.

If the stock be 3½ per cent., add to the principal one half and one quarter of itself, divide by 100, and you have the half-yearly dividend.

If the stock be 3¼ per cent., add to the principal one half and one eighth of itself, divide by 100, and you have the half-yearly dividend.

Examples. — What is the half-yearly dividend on £13,476 10*s.* 8*d.* 3 per cents., 3¼ per cents., 3½ per cents., and 4 per cents.?

3 PER CENTS.			3¼ PER CENTS.			3½ PER CENTS.			4 PER CENTS.		
£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*
13,476	10	8	13,476	10	8	13,476	10	8	13,476	10	8
6,738	5	4	6,738	5	4	6,738	5	4			2
			1,684	11	4	3,369	2	8			
202.14	16	0	218.99	7	4	235.83	18	8	269.53	1	4

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3 PER CENTS.			3¼ PER CENTS.			3½ PER CENTS.			4 PER CENTS.		
£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*	£	*s.*	*d.*
202.14	16	0	218.99	7	4	235.83	18	8	269.53	1	4
20			20			20			20		
2.96			19.87			16.78			10.61		
12			12			12			12		
11.52			10.48			9.44			7.36		

		£	*s.*	*d.*
Answer. —	3 per cent.	202	2	11
"	3¼ per cent.	218	19	10
"	3½ per cent.	235	16	9
"	4 per cent.	269	10	7

In making calculations respecting the purchase or sale of stock, multiply the amount of stock by the price, and divide by 100. Stock-brokers have seldom any occasion to make these calculations, as there are books published expressly for their use.

To compute the half-year's dividend on any amount of stock in the 3 or the 3¼ per cents., within one penny.

Rule. — Multiply the amount of stock by 3 or 3¼, respectively. Take the unit of the pounds produced by that multiplication for pence, and the remaining figures of the pounds for shillings. But when the unit of the pounds produced by this multiplication is more than 4, and also when there are shillings or pence in this product, then one penny must be added to the result for the unit, and one penny for the shillings and pence.

Example 1. — What is the half-yearly dividend on £ 13,476 10*s.* 8*d.* in the 3 per cents.?

	£	*s.*	*d.*	
	13,476	10	8	
			3	Multiply by 3.
20)	4042.9	12	0	
	202	2	9	Add 2*d.* as above. £ 202 2*s.* 11*d.*

Example 2. — What is the half-yearly dividend on £ 13,476 10*s.* 8*d.* in the 3¼ per cents.?

	£	*s.*	*d.*	
¼	13,476	10	8	
			3	
	40,429	12	0	
	3,369	2	8	
20)	4379.8	14	8	
	£ 218	19	8	Add 2*d.* as above. £ 218 19*s.* 10*d.*

In passing through the books a purchase of Long Annuities, debit the account of Long Annuities for the purchase money. Then calculate how much per annum the annuity will yield upon the capital invested, recollecting that the annuity will expire on the first quarter in the year

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1860. Supposing this rate to be 4 per cent., you will, when the annuity is received in April or October, debit Long Annuity account 4 per cent. interest on the purchase money, and credit the same account the amount of the annuity received. The first entry will be passed to the credit of Profit and Loss Account. The second entry will be passed to the debit of Cash Account, as a return of capital. The balance of the Long Annuity account after each entry is made, will show the amount of capital that then remains invested in Long Annuities.

The stock-brokers charge one eighth commission on all purchases and sales of stock; one shilling per cent. on Exchequer Bills and India Bonds. The charges are made on the amount of stock, not on the amount of money invested. In the purchases or sales of shares in public companies, the usual charge is 5*s.* per share. In continuation accounts, that is, where a party buys stock for money and sells it for time, the charge is only one sixteenth per cent. Upon terminable annuities, the charge is one eighth per cent. upon the money invested. "One eighth commission" is a charge of 2*s.* 6*d.* (the one eighth of a pound sterling) on every £ 100; a quarter commission is, of course, 5*s.* The stock-broker usually allows the London banker one half the commission.

If the stock stands in the name of several persons, any one may receive the dividends, but they must unite to execute a sale. If one or more of the parties die, the stock is transferred by the survivors, without the concurrence of the executors or representatives of the deceased party. Hence, if a father wished to give his son a certain amount of stock at his death, he might place the stock in his own and in his son's name, and upon his death his son would become the actual possessor of the property. Powers of attorney made and executed for the sale or transfer of stock must be deposited at the bank, for examination, before two o'clock, the day previous to being acted upon; if only for receiving dividends upon stock, it is sufficient to present the power of attorney at the time when the first dividend thereon becomes payable. A power of attorney costs £ 1 1*s.* 6*d.*; but for Bank, India, and South Sea Stock, £ 1 11*s.* 6*d.*

Expense of a Transfer in	£	£	*s.*	*d.*		£	£	*s*	*d.*
Bank Stock, not exceeding	25	0	9	0	exceeding	25	0	12	0
India Stock, "	10	1	10	0	"	10	1	14	0
South Sea Stock, "	100	0	9	6	"	100	0	12	0

The dividends on the 3 per Cent. Consols are paid in January and July. The dividends on the 3 per Cent. Reduced, and on the 3¼ per Cent., are paid in April and October. This last stock bears interest at 3¼ per cent. only till October, 1854; afterwards, 3 per cent.; but the interest cannot be further reduced until October, 1874.

The United States of America reckon their money in dollars. To turn dollars, at the exchange of 4*s.* 6*d.* per dollar, into pounds sterling, multiply the number of dollars by 9, and divide by 40. To turn pounds sterling into dollars, multiply by 40, and divide by 9.

The French calculate their stock, not by the amount of the principal, but by the amount of the dividend. Thus, 1,000 francs in the French

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rentes, denote 1,000 francs per annum. To calculate the purchase money for any amount of French rentes, first ascertain the principal. For the 5 per Cents. you multiply by 20, and for the 4½ per Cents. by 22⅔; for the 4 per Cents. by 25, and for the 3 per Cents. by 33⅓. Having obtained the amount of stock, and the price, proceed in the same way as in calculating the purchase money for English stock.

The following quotations from Waterston's "Commercial Dictionary" (*A Cyclopædia of Commerce, Mercantile Laws, Finance, Commercial Geography, and Navigation*, by William Waterston, Esq.) will serve to explain the operations connected with foreign bills of exchange: —

"A foreign bill of exchange is an order addressed to a person residing abroad, directing him to pay a determinate sum of foreign money to the person in whose favor it is drawn, or to his order. The amount of foreign money, therefore, to be paid is fixed by the bill; but the amount of British money (or money of the country in which the drawer resides), to be given for the purchase of the bill is by no means fixed, but is continually varying.

"Of the two terms of comparison between the money of one place and that of another, one is fixed, the other is variable. The place whose money is reckoned at the fixed price is, in commercial language, said to *receive* the variable price; the other is said to *give* the variable price. Hence, the higher the exchange between any two places, the more it is in favor of that which receives the variable price; the lower, the more in favor of that which gives the variable price; — the exchange being said to be favorable or unfavorable to any place, according as a smaller or larger amount of the currency of that place is required for discharging a given amount of foreign payments. Thus London receives from Paris a variable number of francs and centimes for £1 sterling; and taking the par at 25 francs 34 centimes for £1, exchange will be 5 per cent. in favor of London when it rises to 26 francs 62 centimes, and about 5 per cent. against London when it falls to 24 francs 7 centimes.

"Bill merchants study the exchanges, not only between the place at which they reside and all other places, but also between all those other places themselves, by which means they are generally enabled to realize a profit by buying bills in one place and selling them in another; — in this way preventing any great fall in the price of bills in those countries in which the supply exceeds the demand, and any great rise in those countries in which the supply happens to be deficient. Sometimes exchange operations are conducted with little outlay of capital. Thus, if a bill merchant in London can sell a bill on Amsterdam at half per cent. premium, and buy one at Paris at half per cent. discount, and with the latter buy one at Paris on Amsterdam at par, he will have gained 1 per cent. by the transaction, without the employment of any capital; — the bill remitted from Paris to Amsterdam arriving in time to meet the bill drawn there upon his correspondent. Again, a bill merchant, in order to take advantage of a premium on the exchange, may obtain a credit abroad upon which he may draw bills, under the calculation that at some future and not very distant period he will be able to replace the funds at a lower rate of exchange, and thereby realize a profit by the operation. The central points for such transactions are Hamburgh, Amsterdam, Vienna, Paris, New York, and above all, London, the great money change of the world.

"In this country the buying and selling of bills on foreign countries is conducted by brokers, all such transactions centering in the metropolis. In London, the days for the negotiation of foreign bills are Tuesdays and Fridays, the *foreign post days*. The brokers go round to the principal merchants, and discover whether they are buyers or sellers; and a few of the more influential, after ascertaining the state of the market, suggest a price at which the greater part of the transactions are settled, with such deviations as particular bills may be subject to from their high or low credit. For the bills they buy on one post-day, houses of established credit pay on the following post-day, when they receive the second and third bills of the set; — foreign bills being usually drawn in sets of three. The brokerage charged on bills is 1 per mille, or one tenth per cent.

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"On the evenings of Tuesdays and Fridays, the market rates for bills on all the principal foreign cities, with the current prices of bullion, are published in Wetenhall's 'Course of the Exchange.'"

The following are the places to which England gives a *certain* amount of sterling for a variable amount of foreign money: —

	£	Variable according to the Exchanges.			
Amsterdam	short	1 for	12	4¾	Florins and Stivers.
Do.	3 months	1 "	12	7¾	do.
Rotterdam	do.	1 "	12	8	do.
Antwerp	do.	1 "	26	5	Francs and Cents.
Brussels	do.	1 "	26	5	do.
Hamburgh	do.	1 "	13	14½	Marcs and Schillings.
Paris	short	1 "	25	75	Francs and Centimes.
Do.	3 months	1 "	26	2	do.
Marseilles	do.	1 "	26	5	do.
Frankfort	do.	1 "	122	½	Batzen.
Vienna	do.	1 "	10	11	Florins and Kreusers.
Trieste	do.	1 "	10	12	do.
Leghorn	do.	1 "	30	37	Lire Tosc. and Cent.
Genoa	do.	1 "	26	5	Lire and Centesimi.

The following are the places to which England gives an *uncertain* amount of sterling for a fixed amount of foreign money: —

	Variable according to the Exchanges.			
Madrid	3 months	36	pence for	1 Dollar of Plate.
Cadiz	do.	36¼	" "	1 do.
Naples	do.	40	" "	1 Ducat.
Palermo	do.	119½	" "	1 Onza.
Messina	do.	120	" "	1 do.
Lisbon	60 days/d	54	" "	1 Milreis.
Oporto	do.	53½	" "	1 do.
Gibraltar	do.	48	" "	1 Hard Dollar.
Venice	do.	47	" "	6 Lire Austriachi.
St. Petersburg	do.	38	" "	1 Silver Rouble.
Rio Janeiro	do.	30	" "	1 Milreis.
New York	do.	47⅛	" "	1 United States Dollar.
Calcutta	do.	23	" "	1 Company's Rupee.

To ascertain the amount of English money that ought to be received for a foreign bill, divide the amount of the bill by the rate of exchange. Thus, suppose the following bill, for 300 francs, were negotiated at the rate of 25 francs 65 cents the pound sterling, then divide 300 by 25·65, and the result will be the amount in English money.

Londres, le 18 *Janvier*, 1849. *B. P. F^cs.* 300.

Au vingt Fevrier prochain veuillez payer contre ce Mandat à l'ordre de Messieurs _____ *la somme de trois cents francs valeur en compte que vous passerez de même avec ou sans avis de*

_____

A Messieurs _____

Banquiers, Paris.

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25·65) 300·00 (11
2565
·4350
2565
1785
20
25·65) 35700 (13
2565
10050
7695
2355
12
25·65) 28260 (11
2565
·2610
2565
· ·45 Answer, £11 13*s*. 11*d*.

We may observe that all bills are drawn in the money of the country in which they are to be paid.

In the cases referred to in the third paragraph of the above quotation, the calculation is more complicated. To ascertain when it is more advantageous to send money from one country to another through a third country, there must be two "rule-of-three" calculations, instead of one; and if the number of countries is increased, the number of calculations will be increased. But these calculations may be abridged by what is called "the Chain Rule," or "Conjoined Proportion," or "Compound Arbitration." The rule given by arithmeticians is the following: — Place the numbers alternately, beginning at the left hand, and let the last number stand at the left hand. Then multiply the first row continually for a dividend, and the second for a divisor.

Example. — If 12 lbs. at London are equal to 10 lbs. at Amsterdam, and 100 lbs. at Amsterdam are equal to 120 lbs. at Paris, how many lbs. at London are equal to 40 lbs. at Paris?

Left.	Right.
12 =	10
100 =	120
40	

12 × 100 × 40 = 48000
10 × 120 = 1200) 48000 (40
48000

Answer, 40 lbs.

This rule is capable of two modifications. The example we have given, is when it is required to find how many of the first sort of coin, weight or measure, mentioned in the question, are equal to the last. It may be required to find how many of the last sort of coin, weight or measure mentioned in the question, are equal to the quantity of the first. In this case, the following is the

Rule. — Place the numbers alternately, beginning at the left hand, and

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let the last number stand on the right hand. Then multiply the first row for a divisor, and the second for a dividend.

Example. — If 12 lbs. at London make 10 lbs. at Amsterdam, and 100 lbs. at Amsterdam make 120 lbs. at Paris, how many lbs. at Paris are equal to 40 lbs. at London?

Left.	Right.
12 =	10
100 =	120
	40

$12 \times 100 = 1200$

$10 \times 120 \times 40 = 48{,}000$

$1200 \overline{)\,48{,}000\,(\,40}$

$48{,}000$

The above examples will explain the principle of the Chain rule. The following example, taken from Mr. Waterston, will show its application with regard to the transmission of money.

London and Paris, through Hamburgh. — Find the arbitrated rate between London and Paris when the exchange of London on Hamburgh is 13 marcs 12 schillings banco for £ 1; and that of Paris on Hamburgh 184 francs 50 centimes, for 100 marcs banco.

This question comes under the second branch of the rule. It is to ascertain how many francs will be obtained for £ 1 sterling when sent to Paris by way of Hamburgh; therefore,

£1 = 220 schillings banco = 13 marcs 16 schillings.
Schillings 16 = 1 marc banco.
Marks banco 100 = 18450 cents = 184 francs 50 cents.
Cents 100 = 1 franc.
1 £

Then $1 \times 16 \times 100 \times 100 = 160{,}000$ divisor.

$220 \times 1 \times 18450 \times 1 \times 1 = 4059{,}000$ dividend.

Answer, 25 francs 37 cents.

It will be seen from the above example, that on the right-hand side the marcs, having also fractional parts, have been reduced to schillings, and the francs to cents; and hence it has been necessary to introduce on the left-hand, the number of schillings in a marc, and the number of cents in a franc: 16 = 1, and 100 = 1.

Although in this case the remittance is said to be through Hamburgh, yet in practice the operation would be made by purchasing in London, bills on Hamburgh, and remitting those bills to Paris, — unless bills on Paris direct could be purchased on more favorable terms.

The calculations which refer to the transmission of gold from one country to another, are very important. To these we will now refer.

In England, the precious metals are weighed by the pound Troy. The following is the table: —

24 Grains	make	1 Pennyweight.
20 Pennyweights		1 Ounce.
12 Ounces		1 Pound.

Standard gold is what is called 22 carats fine; that is, 22 parts of pure gold are mixed with 2 parts of alloy. This alloy consists chiefly, we believe, of copper. Our silver coins have 18 pennyweights of alloy in the pound.

A pound weight of gold is coined into 44½ guineas, and in the same

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proportion for sovereigns. An ounce of standard gold is worth in Great Britain £3 17*s.* 10½*d.*; being the twelfth part of £46 14*s.* 6*d.*, the value of a pound weight of gold.

A pound weight of silver is coined into 66 shillings; and in the same proportion for crowns, half-crowns, and sixpenny pieces.

The specific gravity of gold is 19·360; that is, it is 19,360 times heavier than distilled water.

The specific gravity of silver is 10·474; that of copper is 8·878.

A cubic foot of distilled water weighs 1,000 ounces, or 62·5 pounds avoirdupois, which is equal to 75·95 pounds troy.

Avoirdupois weight is as follows: —

16 Drachms	make	1 Ounce.
16 Ounces		1 Pound.
28 Pounds		1 Quarter.
4 Quarters		1 Hundred.
20 Hundreds		1 Ton.

One lb. avoirdupois is equal to 1 lb. 2 oz. 11 dwts. 20 grs. troy.

A pound avoirdupois is to a pound troy as 1750 to 1440.

1 lb. avoirdupois of copper is coined into 24 pence, — equal to £240 out of a ton. The old pennies weighed exactly an ounce avoirdupois; so that in buying an ounce of any commodity, a poor man might, if he thought he had short weight, use a penny piece for the weight. For some years past, the penny has been only two-thirds of an ounce.

The amount of gold in circulation in Great Britain, including that in the Bank of England, is variously estimated at from 44,000,000 to 60,000,000 sterling. The silver is estimated at 11,000,000, but that includes the coin in the colonies. (*Commons*, 3,483 – 3,488.)

We often find in the City Article of the *Times*, and sometimes in the *Morning Chronicle* and the *Economist*, paragraphs like the following: —

"The premium on gold at Paris is 7 per mille, which, at the English mint price of £3 17*s.* 10½*d.* per ounce for standard gold, gives an exchange of 25·32½; and the exchange at Paris on London, at short, being 25·25, it follows that gold is 0·30 per cent. dearer in Paris than in London.

By advices from Hamburgh, the price of gold is 435½ per marc, which, at the English mint price of £3 17*s.* 10½*d.* per ounce for standard gold, gives an exchange of 13·10¼; and the exchange at Hamburgh on London, at short, being 13·10⅝, it follows that gold is 0.17 per cent. dearer in London than in Hamburgh.

The course of exchange at New York on London is 108½ per cent.; and the par of exchange between England and America being 109$\frac{23}{40}$ per cent., it follows that the exchange is 1·08 per cent. against England; but the quoted exchange at New York being for bills at 60 days' sight, the interest must be deducted from the above difference."

The real par of exchange between two countries is that by which an ounce of gold in one country can be replaced by an ounce of gold of equal fineness in the other country. In England, gold is the legal tender, and its price is fixed at £3 17*s.* 10½*d.* per ounce. In France, silver is the currency, and gold, like other commodities, fluctuates in price accord-

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ing to supply and demand. Usually, it bears a premium or agio. In the above quotation, this premium is stated to be 7 per mille; that is, it would require 1,007 francs in silver to purchase 1,000 francs in gold. At this price the natural exchange, or that at which an ounce of gold in England would purchase an ounce of gold in France, is 25.32½. But the commercial exchange — that is, the price at which bills on London would sell on the Paris exchange — is 25 francs 25 cents, showing that gold is 0.30 per cent. dearer in Paris than in London. Tables have been constructed to show the results of each fluctuation in the premium of gold in Paris. In the next section we shall insert a table of this kind with reference not only to Paris, but also to Hamburgh and to Amsterdam.

At Hamburgh, again, the exchange is the other way. The price of a mark of fine gold is 435½ marcs banco, which gives an exchange of 13.10¼ marcs and schillings against the pound sterling. But the commercial exchange is 13.10⅜, which makes a difference of ⅛ of a schilling; and it follows that gold is 0.17 per cent. dearer in London than in Hamburgh.

The Money Table of the United States stands thus: —

10 Mills	make	1 Cent.
10 Cents		1 Dime.
10 Dimes		1 Dollar.
10 Dollars		1 Eagle.

The following regulations were adopted in the year 1834 respecting gold and foreign coins: —

"Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, that the gold coins of the United States shall contain the following quantities of metal; that is to say, each eagle shall contain 232 grains fine gold, and 258 grains standard gold; each half eagle, 116 grains fine gold, and 129 grains standard gold; each quarter eagle shall contain 58 grains fine gold, and 64½ grains standard gold; every such eagle shall be of the value of 10 dollars; every such half eagle shall be of the value of 5 dollars; and every such quarter eagle shall be of the value of 2 dollars and 50 cents; and the said gold coins shall be receivable in all payments, when of such weight, according to their said respective values; and when of less than such weight, at less values, proportioned to their respective actual weights."

"Be it enacted, &c., that from and after the 31st day of July next, the following gold coins shall pass current as money within the United States, and be receivable in all payments, by weight, for the payment of all debts and demands, at the rates following; that is to say, the gold coins of Great Britain, Portugal, and Brazil, of not less than 22 carats* fine, at the rate of 94 cents and 8-10ths of a cent per pennyweight; the gold coins of France, 9-10ths fine, at the rate of 93 cents and 1-10th of a cent per pennyweight; and the gold coins of Spain, Mexico, and Columbia, of the fineness of 20 carats, 3 grains, and 7-16ths of a grain, at the rate of 89 cents and 9-10ths of a cent per pennyweight."

Under the above Acts of Congress the English sovereign was made a legal tender at the rate of $94\frac{8}{10}$ cents per pennyweight. Hence, the full weight of the sovereign being 5 dwts. 3.274 grs., it was made equivalent to 4 dollars and 87 cents; or 487 *dollars equal* £ 100. But, according to a rule established in 1789, and ever since retained in exchange

* This is the usual mode of expressing the fineness of gold. The ounce is divided into 24 carats. If, out of this mass, 2, 3, or 4 parts out of the 24 consist of alloy, the whole is said to be 22, 21, or 20 carats fine.

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operations, the par of the dollar is paid at 4*s.* 6*d.* sterling, which gives for 487 dollars £ 109 11*s.* 6*d.* The nominal par thus exceeds the real par £ 9 11*s.* 6*d.*, or $9\frac{2}{4}\frac{3}{0}$ per cent. In this way, when the exchange is nominally $9\frac{2}{4}\frac{3}{0}$ premium, it is really at par. The above calculations are subject to some slight modifications by an Act of Congress fixing the amount of alloy in both the gold and silver coins at one tenth; but commercially the par of exchange between England and America is usually quoted as equal to $109\frac{2}{4}\frac{3}{0}$ per cent.

When we read in the above calculations that gold is so much dearer in one country than the other, we must not infer that gold can therefore be sent thither at a profit. We must take into account the expense of conveyance. It is generally considered that the charges and loss of interest attendant on sending gold to America, do not amount to much less than $2\frac{1}{2}$ per cent.

Before closing this subject, we will make some remarks on our exchanges with India. It has been seen, that with this country we give an uncertain amount of sterling for a fixed amount of foreign money; that is, we give so many pence (say 23 or 24) for a rupee. The lower the exchange, that is, the fewer pence we give for the rupee, the more favorable is the exchange for England. For, the lower the rate, the more favorable is the exchange to that country in whose currency the rate is reckoned.

The following is the Table for East India Money: —

12	Pice	make	1 Anna.
16	Annas		1 Rupee.
100,000	Rupees		1 Lac.
100	Lacs		1 Crore.

Taking the rupee at 2*s.*, a crore of rupees is equal to £ 1,000,000 sterling. A lac is, of course, £ 10,000. The figures expressing Indian money are not easily understood by Europeans. The capital of the Bank of Bombay is stated at 52,25,000 rupees, and the capital of the Bank of Bengal at 1,10,13,580 „ 1 „ 7. These figures should be respectively read thus: — Fifty-two lacs, twenty-five thousand rupees; One crore, ten lacs, thirteen thousand five hundred and eighty rupees, one anna, and seven pice.

The East India Company in London issue bills on India. They also discount in India, bills drawn on London, taking as collateral security the bills of lading and the policies of insurance of the goods against which the bills are drawn. Their advances are usually to the extent of three fourths, or sometimes three fifths, of the estimated value of the goods. The rate of exchange is publicly announced, and undergoes modification from time to time, according as the Company may have occasion to accumulate funds in London or in India. (See the Evidence of W. P. Paton, Esq., and J. D. Dickenson, Esq., before the Committee of the House of Commons, on Commercial Distress, 1848.)

In making further observations upon the subject of this section, we may observe, that there is often a great facility acquired in performing arithmetical operations by varying the numbers, and especially if we can substitute ten or a hundred for some other number. And sometimes we

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may change the operation, and use multiplication for addition, or the reverse. Thus, if we have to multiply by 15, we can multiply by 10 by adding a cipher, and then add half the sum. If we have to take three fifths of a number, we may take the sixth tenths. Instead of dividing by 25, we may multiply by 4, and divide by 100; or, instead of multiplying by 25, we may multiply by 100 and divide by 4.

To calculate the interest on large sums at any rate per cent., it is usually best to find the interest at 1 per cent. (as you have only to divide by 100), and then multiply by the rate per cent.

It is useful sometimes to know how many persons enter a bank in the course of a day, and during what hours the greater number arrive. To do this, set a person in the hall, with a paper marked 9 to 10, 10 to 11, and so on. Then, when a person enters a bank between the hours of 9 and 10 o'clock, he will make a mark like a figure 1. This mark he will repeat as every additional person enters. He will go on in this way all through the day. When the bank closes, he will ascertain by counting the marks how many persons have entered the bank during each hour, and how many altogether. The cashiers should go to dinner during the hour in which the fewest people come to the counter. And if a clerk wants a day's holiday he should fix on the day on which the fewest people enter the bank. It is in this way that a man standing in the street is able to keep a register of the number of omnibuses that may pass him during the day.

Occasionally we find that "calculating boys" have been exhibited who have performed arithmetical operations with wonderful rapidity. In some cases they have explained their mode of doing so. It would appear that they have in their mind a large multiplication table, not ending at 12 times 12, but extending to 50 times 50, or 100 times 100; secondly, they have a great rapidity of finding equivalent numbers by which the questions are more easily worked; and thirdly, they have a great power of memory, by which they can carry on operations in their mind without committing them to paper. They seemed to have these endowments by nature; but they may all, in a degree, be acquired by application. A large multiplication table may be learned by perseverance. A facility of finding equivalent numbers may be aquired by study and practice. And even arithmetical operations may be performed by the memory. Let a person try to work a sum in the rule of three in this way, *in perfect darkness*, and he will find it not so difficult as he would at first imagine. But the facilities thus acquired by application would, of course, be vastly inferior to the endowments exhibited by these "calculating boys." It is remarkable that these boys are not found to retain this wonderful faculty after they are grown to be men.

The various systems of artificial memory profess to teach the art of remembering figures. This is done by turning figures into letters, and then forming a word from those letters, or by associating a symbol with the number, or by adding the letters to the end of the word. Thus, suppose the floor of the room in which you are sitting were divided into nine compartments, and had a figure and letters in each compartment; thus: —

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1. B. C.	2. D. F.	3. G. H.
4. J. K.	5. L.	6. M. N.
7. P. Q.	8. R. S.	9. T. V.

Now, if you wished to remember the number 29, you might form the word "foot," and the consonants *f* and *t* would give you 29. If you wished to recollect 86, form the word "room." So, if the number were 53, it would be represented by the word "log." The word "book" would represent 17; the word "paper," 778; and "ledger," 5238. The advantage of having two letters to one figure is, that you can more easily form words; for if one letter will not form a word, the other may. Besides, if you should forget what letter represents any figure, by running over the alphabet you will call it to mind.

We have supposed these numbers and figures placed on the floor. Now stand in the centre of the room, with your face toward the window. Divide the wall before you into the same compartments as the floor, and place over the wall on the ceiling the number 10. You have then before you all the numbers, from 10 to 19 inclusive. Divide the wall on your right hand in the same way, and place over it the number 20. Over the wall behind you place 30; and over the wall at your left hand place 40; and over your head in the centre of the ceiling place the number 50. You have now a local place for all the numbers, from 1 to 50. And if you wish at any time to recollect any one of these numbers, your memory will be assisted by calling to mind its locality in this room.

You may go further than this. You may place in each of these fifty squares a symbol; that is, the figure of a tree, a flower, a bird, a beast, a fish, or any thing else. For instance: — In the compartments on the floor you may place trees, the name of each tree beginning with the letter belonging to the compartments. The compartments from 10 to 20 may each have a flower; from 20 to 30, a bird; from 30 to 40, a beast; and from 40 to 50, a fish. And then, if you wish to recollect any matter, you may form some fanciful association between it and the symbol.

Dr. Grey's system is different from that we have described. He represents the numerals by the following consonants and vowels: —

1	2	3	4	5	6	7	8	9	0
b	d	t	f	l	s	p	k	n	w
a	e	i	o	u	au	oi	ei	ou	y

Then, to recollect a date, you will alter the termination of the word, and

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place those letters that correspond with the figures. Thus, he calls Alexander the Great, Alex*ita*, and the last three letters show that he died 331 years before the Christian era. Julius Cæsar is called Julio*s*, showing that he died 46 years before the same period; and Rom*put* shows that Rome was founded 753 years before the Christian era.

These systems of artificial memory have not been found in practice to answer the eulogiums of their professors. Nevertheless, they are occasionally useful in assisting the recollection of figures.

The following questions may be instructive or interesting to those young men who may be disposed to work them: —

When a banker discounts bills having two, three, six, nine, and twelve months to run, charging at the time the discount of 4 per cent., what rate of interest does he obtain on the money actually advanced at these respective dates?

Suppose a banker should lend £100,000 consols at 90, from the 1st of January to the 13th day of February, at 1-16th continuation, and should part with the money at £10,000 a day in the discount of bills at 2½ per cent., all of which bills should fall due, in equal proportions, on the 10th, 11th, and 12th of February, what would he gain by the transaction?

If a banker buy consols at 90 on the 1st of December, receive the half-yearly dividend on the 8th of January, and sell the consols again at 90 on the 1st of February, what interest per cent. per annum does he receive for his money after deducting the income tax?

If a Long Annuity (which expires in January, 1860) is bought at 8½ on the 1st day of March, 1849, what rate of interest does it yield after paying the income tax of sevenpence in the pound on the annuity?

Suppose there were thirty clerks in a bank, the junior had £80 per annum and the senior £500. and they increased in arithmetical progression, what is the ratio of their increase, and what is the total amount of their salaries?

Suppose you were asked to make an advance on a lease which had twenty years to run, and on which there was a net profit rent of £100 per annum, what advance would you make upon it, calculating its present value at 7 per cent., and taking a margin of one third its value?

If a bank which has £20 paid up on each share, pays a dividend of 6 per cent., how much is that per share?

If a bank gives an annual bonus of 7*s*. per share, on which £10 is paid up, how much is that per cent. per annum?

One ounce of standard gold is worth £3 17*s*. 10½*d*. A sovereign is worth twenty shillings. What should be its weight?

A pound weight of silver is coined into sixty-six shillings. What are the respective weights of a sixpenny-piece, a shilling, and a half-crown?

A ton weight of copper avoirdupois is coined into £240 in penny-pieces: What is the weight of a halfpenny-piece?

What is the weight of a cubic foot of gold, and into how many sovereigns may it be coined?

What is the weight of a cubic foot of silver, and into how many shillings may it be coined?

What is the weight of a cubic foot of copper, and into how many farthings can it be coined?

A cubic foot of gold will displace a cubic foot of water, but how much water would be displaced by a cube of silver of the same weight?

The gold that came to Solomon in one year was six hundred three score and six talents. Supposing this to be pure gold, how much alloy must be added to reduce it to standard gold, and what then would be the number of talents? — Supposing this standard gold to be taken to the issue department of the Bank of England, under the Act of 1844, and bank-notes received in exchange at the rate of £3 17*s*. 9*d*. per ounce, what amount of bank-notes would be received, taking the Hebrew talent as equal to 113 lbs. 10 oz. 1 dwt. 10 grs. troy? — Supposing payment of these notes should after-

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wards be demanded in sovereigns, which are coined at the rate of £3 17*s.* 10½*d.* per ounce, what would be the total weight of these sovereigns?

Find the arbitrated rate of exchange between London and Amsterdam when the exchange of London on Madrid is 37 pence for one dollar of plate, and that of Amsterdam on Madrid is 100 florins 75 cents. for 40 ducats of plate.

Bar gold in London is 77*s.* 9*d.* per ounce standard: required the arbitrated rate of exchange produced by its export to the United States for coinage, at the rate of 232$\frac{1}{8}$ grains of fine gold for the eagle of 10 dollars.

Bar silver in London is 60 pence per ounce standard; in Amsterdam 104$\frac{1}{2}$ florins per pond fine; required the arbitrated rate of exchange, the Netherlands pond being equal to 1,000 wigties, and 31.1002 wigties equal to one ounce troy.*

If the premium on gold at Paris is 5$\frac{1}{2}$ per mille, and the exchange at Paris on London is 25.27$\frac{1}{2}$, how much per cent. is gold dearer in Paris than in London? †

If the price of gold at Hamburgh is 435 per marc, and the exchange at Hamburgh on London is 13.10$\frac{8}{8}$, how much per cent. is gold dearer in Hamburgh than in London? †

Sect. XIV. — BANKING DOCUMENTS.

By banking documents, I mean such reports, bonds, deeds, letters, or other writings, as are used in connection with banking.

I. I shall notice those Documents that are used in the formation of a Joint-stock Bank.

When any persons propose to form a joint-stock bank in any district, they procure the statistical returns of the district; such as the tables of the population, — the exports and imports, — the duties paid, — the returns of the sales in the various markets, — and every other information respecting the trade and wealth of the district. If these prove satisfactory, they take notice of the banks already established there, and observe whether they are joint-stock banks or private banks, — whether strong or weak, — and whether likely to oppose or to join any new establishment. If the existing banks be joint-stock banks, the projectors procure from the stamp-office a list of the shareholders, in order to observe the strength of their proprietary, and whether they reside chiefly in the district.

Having satisfied themselves that a new bank would be successful, the first document drawn up is a prospectus. This document usually sets forth the great advantage of joint-stock banking to both the public and the shareholders, and then points out the facilities of the district in which the bank is proposed to be established.

Previous to issuing the prospectus, some leading persons in the district are requested to become members of a provisional committee for the formation of the bank, and they obtain the assistance of an influential solicitor, to whose office the applications for shares are usually addressed. The committee then appoint a secretary, or sometimes the office of secretary is filled by the solicitor.

* The last three questions are taken from *Waterston's Manual of Commerce*, where the operations are performed. † See the Table No. 18, in the next section.

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Attached to the prospectus is the form of an application for shares, similar to the following: —

_____ BANKING COMPANY.

HEAD BANK, _____.

Capital, £ _____ in _____ Shares, of £ _____ each.

APPLICATION FOR SHARES.

To the Provisional Committee of the _____ *Banking Company.*

GENTLEMEN,

I beg to apply for _____ shares in the above bank, upon the conditions of the published prospectus. If the shares be granted, my utmost influence shall be exerted in support of this bank.

I am,

Yours respectfully,

_____

Name . . . . . .
Business or Profession
Residence . . . .

As the applications come in, they are entered in a book prepared for the purpose. In the first column is entered the date of the application; then follow the name, profession, and residence of the applicant; then the number of shares applied for, and in a further column the number of shares granted. After the committee have determined what number of shares to allot to each applicant, letters are addressed to the respective parties in the following forms: —

SIR,

I am instructed by the Provisional Committee of the _____ Banking Company, to inform you, that they have allotted you _____ shares in the Company; and you are requested to pay the sum of _____ upon each share, to _____, where you will receive the certificate.

I am, Sir,

Your most obedient Servant,

A. B. *Secretary.*

SIR,

Your application for _____ in the _____ Banking Company has been laid before the Provisional Committee, who regret, that in consequence of the numerous applications, they are unable to comply with your request.

I am, Sir,

Your obedient Servant,

A. B. *Secretary.*

The certificates granted upon receipt of the first payment on the shares are different. Some use the following form: —

_____ BANKING COMPANY.

DEPOSIT CERTIFICATE.

No.

_____ 18

This is to certify, that the bearer hereof has paid the sum of £ _____

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being the allotment fee of _____ per share upon _____ shares of £_____ each, alloted to him in the capital stock of the above Banking Company.

For the Provisional Committee
of the _____ Banking Company.

_____

Other banks adopt the form of a receipt, thus: —

_____ BANKING COMPANY.

Received of Mr. _____ on account of the above bank, the sum of £ _____ being the deposit of _____ per share on his being admitted a holder of _____ shares.

_____ 18

_____

After the sums have been received, a general meeting of the shareholders is called in the following form: —

_____ BANKING COMPANY.

_____ 18

SIR,

I am instructed by the Provisional Committee to inform you, that the first general meeting of the shareholders in the above Banking Company will be held at the _____ on _____ next, for the purpose of submitting a report of their proceedings, electing a board of directors, and adopting resolutions for the immediate constitution of the Company.

The chair will be taken at twelve o'clock.

Lest you should be unable to attend, I annex a form of proxy for voting, the blanks of which you must fill up before it is placed in the hands of a shareholder.

I am, Sir,
Your obedient Servant,
_____ *Secretary.*

PROXY FOR VOTING.

_____ BANKING COMPANY.

I, the undersigned, a shareholder in the above Banking Company for _____ shares, do hereby appoint _____ also a shareholder therein, to vote for me, and on my behalf, at the first general meeting of shareholders, to be held in _____ on _____ instant.

Witness my hand this _____ day of _____ 18

Name . . . . .
Residence . . . . .
No. of shares . . .

_____

At the general meeting the provisional committee make a report of their proceedings. Resolutions are then passed, — 1. That the report be received and printed; — 2. That certain shareholders then named be appointed directors; — 3. That the thanks of the meeting be given to the provisional committee. The bank is now formed, and the government is

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assumed by the directors. They appoint the manager and other officers; they prepare the deed of settlement; and they adopt the measures necessary for the commencement of business.

II. — *The Deed of Settlement.*

This is the deed of partnership, which must be signed by all the shareholders. It fixes the name of the bank, — the places where business is to be carried on, — and the denomination and number of the shares. It regulates the appointment of directors, — the qualifications of shareholders, — and the mode of holding meetings, transferring shares, and making dividends. It also provides for the winding up of the affairs of the bank, in case it should not be successful. So many joint-stock banks have printed their deeds of settlement, that any new bank would find no difficulty in procuring a copy. All banks now introduce a clause, providing that if one third or one fourth of the paid-up capital be lost, the bank shall be dissolved: and generally there is a clause authorizing any alteration of the deed by two successive meetings of the shareholders specially summoned for that purpose.

III. — *Bonds of Security by the Officers.*

The following form may be adopted for a manager: —

Know all men by these presents, that we, *A. B.* of _____ *C. D.* of _____ *E. F.* of _____ and *G. H.*, are held and firmly bound to *W. X.* and *Y. Z.* in the sum of *five thousand* pounds of lawful money of Great Britain, to be paid to the said *W. X.* and *Y. Z.* or their certain attorney, executors, administrators or assigns, for which payment to be well and truly made, we bind ourselves and each of us, and any three, or two of us, and our and each of our heirs, executors, and administrators, and the heirs, executors, and administrators of any three, or two of us jointly, severally, and respectively, firmly by these presents. Sealed with our seals. Dated this _____ day of _____ in the year of our Lord *one thousand eight hundred and*

Whereas the above-bounden *A. B.* has been appointed chief manager of a certain public joint-stock banking company, called the _____, of which company, and for the general purposes thereof, the above-named *W. X.* and *Y. Z.* have been appointed *trustees*. And it was agreed, that on the appointment of the said to be such manager as aforesaid, he should with sureties enter into a bond to guarantee his fidelity and honest conduct while in the service of the said company. And whereas each of them, the above bounden *C. D.*, *E. F.*, and *G. H.* has, at the request of the said *A. B.* agreed to become surety for him as aforesaid to the extent of *five thousand pounds:* Now the condition of the above-written bond or obligation is, that if the said *A. B.* do and shall from time to time while he shall continue in the service of the said company as the chief manager of the said company, diligently and faithfully serve them, and devote the whole of his time and attention to their business, and give such reasonable attendance at their banking-house, as the directors for the time being of the said company shall from time to time require, and do and shall keep all the secrets of the said company, and inform the said directors of the company for the time being of all such letters, writings, papers, and occurrences whatever as shall from time to time come to his knowledge respecting the said business,

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and do and shall keep all the cash accounts, ledgers, books, deeds, writings, and papers, belonging or relating to the said concern in a proper and business-like manner, and regularly answer the letters of their correspondents, and do and shall take due care of the moneys, securities for money, and property belonging to the said company, or placed in their custody, and do and shall from time to time account for, render, and make over to the directors for the time being of the said company, all such cash, bills, notes, and other securities as shall from time to time come, or without his wilful default might have come to his hands, and shall not embezzle, conceal, or waste, nor permit (as far as in him lies) to be embezzled, concealed, or wasted by others any of the property of the said company, or which shall have been intrusted to their care, and do and shall receive all the customers of the said banking-house with civility, and make up the notes or memorandums of their respective affairs when necessary, and do and shall as far as in him lies cause the clerk or clerks of the said company to give full and due attendance at their said banking-house, and there to conduct and demean himself or themselves diligently and faithfully and in an orderly manner: and also if the said *A. B.* do and shall in all other respects diligently, skilfully, and faithfully demean and conduct himself as the chief manager of the said company: and moreover, if they the said *C. D.*, *E. F.*, and *G. H.*, their heirs, executors, or administrators, or some of them, shall and do well and sufficiently save harmless and keep indemnified the said company and the directors and all other members thereof from and against all losses, costs, charges, and expenses which shall or may happen or come to them for or by reason of any act, deed, matter or thing whatsoever, wilfully and improperly done, or wilfully and improperly omitted to be done by the said *A. B.* in or during the said service, then the above-written obligation shall be void, but otherwise the same shall be in full force. Provided always and it is hereby declared, that under the said obligation, the said *C. D.*, his heirs, executors, or administrators, shall not be liable to a greater sum in the whole than *two thousand five hundred* pounds, nor the said *E. F.* his heirs, executors, or administrators to a greater sum in the whole than *one thousand five hundred* pounds, nor the said *G. H.* his heirs, executors, or administrators to a greater sum in the whole than *one thousand* pounds. As witness the hands and seals of the said parties.

The following is the form for a clerk: —

Know all men by these presents, that *A. B.*, *C. D.*, and *E. F.*, are held and firmly bound to *W. X.* and *Y. Z.*, in the penal sum of *one thousand* pounds of lawful money of Great Britain, to be paid to the said *W. X.* and *Y. Z.*, or their certain attorney, executors, administrators, or assigns, for which payment to be well and truly made, we bind ourselves and each of us, and our and each of our heirs, executors, and administrators, and the heirs, executors, and administrators of any three or two of us jointly, severally, and respectively firmly by these presents. Sealed with our seals. Dated this _____

Whereas the above bounden *A. B.* has been appointed a clerk in a certain public company, called the _____, of which company and for the general purposes thereof the above-named *W. X.* and *Y. Z.* have been appointed trustees. And it was agreed that on the appointment of the said *A. B.* he should with sureties enter into a bond to guarantee his fidelity and honest conduct. And whereas the above bounden *C. D.* and *E. F.* have at the request of the said *A. B.* agreed to become surety for him as aforesaid to the extent of *five hundred* pounds each. Now the conditions of the above-written obligation is, that if the said *A. B.* do and shall, while he shall continue in the service of the said company as such clerk, diligently and faith-

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fully serve them, and devote the whole of his time and attention to their business, and give such reasonable attendance at their office, as the directors or manager for the time being of the said company shall from time to time require; and do and shall keep all the secrets of the said company, and inform the directors of the said company for the time being of all such letters, writings, papers, and occurrences whatsoever, as shall from time to time come to his knowledge respecting the said business; and do and shall from time to time account for and make over to the directors or manager for the time being all such cash, bills, notes, and other securities as shall from time to time come or without his wilful default might have come to his hands, and shall not embezzle, conceal, or waste, nor permit (as far as in him lies) to be embezzled, concealed, or wasted by others, any of the property of the said company, or which shall have been intrusted to their care. And also if the said *A. B.* do and shall in all other respects diligently, skilfully, and faithfully demean and conduct himself as such clerk of the said company. And moreover, if they the said *C. D.* and *E. F.*, their heirs, executors, and administrators, or some of them shall and do well and sufficiently save harmless and keep indemnified the said company and the directors and all other members thereof from and against all losses, costs, charges, damages, and expenses, which shall or may happen or come to them for or by reason of any act, matter, or thing whatsoever wilfully and improperly done, or wilfully and improperly omitted to be done by the said *A. B.* in or during the said service, then the above-written obligation shall be void, otherwise the same shall be in full force. Provided always, and it is hereby declared, that under the said obligation the said *C. D.*, his heirs, executors, or administrators, shall not be liable to a greater sum in the whole than *five hundred* pounds; nor the said *E. F.* his heirs, executors, or administrators, to a greater sum in the whole than *five hundred* pounds. As witness the hands and seals of the said parties.

IV. — *Declarations of Secrecy.*

The following is the form for the directors and trustees: —

We, the undersigned persons, being respectively the directors and honorary directors, and trustees of the public Joint-stock Company called _____, do severally declare that we will respectively, faithfully, and impartially discharge the several duties devolving on us as such directors as aforesaid, according to the deed of settlement of the company, bearing date the _____ day of _____, and any laws and regulations that may be made in pursuance thereof. And we do hereby pledge ourselves, and as inviolably as if we had taken our oaths thereto, that we will observe the strictest secrecy on the subject of all transactions of every description of the company, with their customers for the time being, or with any other bodies or persons whatsoever, and on the subject of the accounts of all bodies and individuals from time to time having accounts with the said company. Dated this _____ day of _____, 18____.

The following is the form for the officers: —

Declaration of Secrecy by the Managers and Clerks.

We, the undersigned persons, being respectively managers, accountants, cashiers, tellers, and clerks of the _____ Banking Company, do severally declare, that we will respectively, faithfully, honestly, and impartially discharge the several duties devolving on us as such managers, accountants, cashiers, tellers, and clerks

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as aforesaid, according to the directions of the directors of the company, and any laws and regulations that may be made by them. And we do hereby severally pledge ourselves, and as inviolably as if we had taken our oaths thereto, that we will observe the strictest secrecy on the subject of all transactions of every description of the company with their customers for the time being, or with any other bodies or persons whatsoever, and on the subject of the state of the accounts of all bodies and individuals from time to time having accounts with the said company. Dated this _____ day of _____, 18____.

V. — *Letters of Guarantee,**

With reference to Advances or to Bills Discounted.

Bill-brokers usually give a letter of guarantee, instead of indorsing the bills they have discounted with the bankers. And sometimes one party will guarantee to the bank the bills discounted for another.

(1.)

To the Directors of the _____ Banking Company.

GENTLEMEN,

In consideration of your paying the cheques of Mr. _____, or otherwise advancing him sums of money, I hereby guarantee the repayment thereof upon demand, to the extent of one thousand pounds.

I am, &c.

(2.)

To the Directors of the _____ Banking Company.

GENTLEMEN,

In consideration of your discounting a bill for £ _____, drawn by *A. B.* or *C. D.* dated _____, at _____ months, I hereby guarantee the due payment of the same at maturity.

I am, &c.

(3.)

GENTLEMEN,

In consideration of your discounting the above bills, I hereby guarantee the punctual payment thereof as they respectively fall due.

I am, &c.

(4.)

GENTLEMEN,

Mr. *John Slender* may have occasion to offer you sundry bills for discount. In consideration of your discounting such of them as you approve of, which I request you to do, I hereby guarantee the punctual payment of such bills when due.

I am, &c.

* There are some excellent remarks on this subject, as well as on other matters connected with practical banking, in "*Chapters on Country Banking*," by J. R. Rogers. (E. Wilson, publisher.)

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VI. — *A Form of Letter,*

To be signed by a Party lodging Deeds or other Documents as Security for Advances of Money.

(1.)

To the Directors of the _____ *Banking Company.*

GENTLEMEN,

I have sent you the title deeds, and other writings, relating to my several freehold and copyhold estates and properties, in or near _____, in the county of _____, and which documents I hereby declare are deposited with you, as a security for all sums of money now or hereafter to become due from me, either solely, or jointly with others, to the said banking company, either upon banking account, or in any other manner howsoever (including interest, commission, and all other usual banking charges); and I hereby engage, upon request, to execute to you, or to the trustees of the said company, a mortgage of the said tenements and premises, for the better securing the said sum or sums of money, intended to be hereby secured, such mortgage to contain a power of sale, and all other usual covenants, and to be at my expense.

I am, &c.

(2.)

GENTLEMEN,

Having this day borrowed of you £ _____, upon a deposit of the undermentioned securities, which sum is to be repaid to you, with interest at _____ per cent. per annum, on the _____ next, I hereby authorize you, in case the said sum of £ _____ shall not be repaid as aforesaid, to sell the said securities, or any part thereof, whenever you may think proper so to do, and repay yourselves the sum of £ _____ and interest, returning to me the surplus (if any), or holding it for my account; and in the event of any deficiency, I hold myself responsible to you and the survivors of you for the same.

I am, &c.

(3.)

GENTLEMEN,

In consideration of the loans, advances, or discounts which may be made to me, or upon my request by you, I hereby charge all or any title deeds or other property belonging to me, which I may place or leave in your hands, with the repayment of all such loans, advances, or discounted bills, together with all costs, interest, and charges thereon; and I hereby undertake to make an assignment by way of mortgage, with power of sale, whenever called upon so to do, of the property which I may or shall be entitled to under such title deeds.

I am, &c.

VII. — *Memorandum of Agreement with reference to the Lodgment of Deeds.*

MEMORANDUM, that on the _____ day of _____, in the year of our Lord one thousand eight hundred and forty-_____, _____ hath delivered to _____, at their office in _____, in the county of _____, the several title deeds and documents mentioned and comprised in the schedule hereunto annexed, for the purpose of securing to

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the proprietors in the said banking company for the time being, of whomsoever the same banking company may from time to time consist, all and every sum and sums of money which shall at any time hereafter be due or owing from _____ _____, on the balance of his account current with the said banking company, either for money paid or advanced, or to be paid or advanced, by the said banking company unto the said _____, or at his request, or which shall be secured by any bond or bill of exchange drawn or endorsed by the said _____, or by any promissory note or other contract whatsoever, with interest for the same respectively, from the several times at which they respectively shall be advanced, or at which the said bonds, bills, notes, or other contracts respectively shall become due, and thenceforth until payment thereof respectively after the rate of _____ per centum per annum, with commission and other usual banker's charges, so as the same do not exceed in the whole the sum of £_____.

And the said _____ doth hereby promise and agree with and to the said banking company that he the said _____, whenever thereunto required by the said banking company, shall and will effectually convey and assure all and singular the hereditaments and premises comprised in the said deeds and writings unto and to the use of the said banking company, in such manner as shall be lawfully required by them, free from incumbrances; subject, nevertheless, to redemption on payment by the said _____ of such sum of money as shall be therein expressed to be secured with interest in manner aforesaid. And in the said indenture of mortgage shall be contained all usual clauses and covenants, with power of sale in case default shall be made in payment of the principal and interest to be thereby secured, or any part thereof. As witness the hand of the said _____, the day and year first above written.

(The schedule above referred to.)

VIII. — *Cash Credit Bond.*

Almost every bank that grants cash credits has its own form of bond. I think the following as good as any that I have seen: —

Know all men by these presents, that we, *A. B.*, of _____, *C. D.*, of _____, and *E. F.*, of _____, are jointly and severally held and firmly bound to *W. X.* of _____, and *Y. Z.* of _____, two of the trustees of the society or co-partnership called the _____, in the penal sum of _____ pounds of lawful money of Great Britain and Ireland, to be paid to the said *F. G.* and *H. I.*, or their certain attorneys, executors, administrators, and assigns, for which payment, to be well and truly made, we bind ourselves, and each and every of us, and our, and each and every of our heirs, executors, and administrators, jointly, severally, and firmly by these presents. Sealed with our seals. Dated this _____ of _____.

Whereas the above-bound *A. B.* has opened an account with the above-mentioned society or co-partnership, called the _____, at their establishment, at _____, and is desirous of being accommodated by the said society or co-partnership, from time to time, in some one or other of the various modes in which bankers are in the habit of affording accommodation, and to induce the said society or co-partnership to take the said account, and to accommodate

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him from time to time, in some one or other of the modes aforesaid, the said *A. B.* and the said *C. D.* and *E. F.* as his sureties, have agreed to enter into the above-written bond or obligation with such conditions as hereinafter is expressed.

Now the condition of the above-written bond or obligation is such, that if the said *A. B.*, *C. D.*, and *E. F.*, or some or one of them, or their, or some or one of their heirs, executors, or administrators, do and shall, on the demand in writing, under the hand of any one of the public officers of the said society or co-partnership, called _____ _____, well and truly pay or cause to be paid to the said society or co-partnership, all and every such sum and sums of money as upon the balance of any account current, which now is, or at any time or times hereafter shall be open between the said *A. B.* and the said society or co-partnership, shall or may, from time to time, be due and owing from or by the said *A. B.*, his executors, or administrators, together with all discount, interest, postage of letters, and commission, according to the usage and course of business, but nevertheless to the extent only of £_____ principal money, exclusive of interest and costs, in case such balance shall exceed the sum; and so that the above-written bond or obligation shall, and may be, a continuing security to the said society or co-partnership to the amount of £_____ principal money, besides such interest and costs as aforesaid, notwithstanding any settlement of account, or other matter or thing whatsoever, then the above-written bond or obligation shall be void; otherwise, the same shall remain in full force and virtue.

Signed, sealed, and delivered
in presence of _____.

The following is the form of cash credit bond used by one of the banks in Scotland. It will be seen that the latter part has a reference to the peculiar law of Scotland, and hence it is not adapted for the use of banks established in England: —

We, *A. B*, *C. D.*, and *E. F.*, considering that the directors of the banking company, established in Edinburgh, under the title of the _____, have agreed to allow us credit upon a current account, to be kept in the name of the said *A. B.*, in the books of the said bank at its branch office in _____, or at such other office or offices of the said bank as the directors thereof may from time to time appoint, to the extent of _____ pounds sterling, upon granting these presents; therefore we, the said *A. B.*, *C. D.*, and *E. F.*, hereby bind and oblige ourselves conjointly and severally, and our heirs, executors, and successors whomsoever, to content and pay to the said _____, or to _____, the present manager of the said bank, or to his successors in office as manager, for behoof of the said bank, and the whole partners therein, or to the assignees of the said bank, or of its said manager, or his foresaid, the aforesaid sum of *five hundred* pounds, or such part or parts thereof as the said *A. B.* shall receive or draw out by orders or drafts on the said bank, in virtue of the aforesaid credit, and also such sum or sums of money as the said bank or its said manager shall stand engaged for on account of me, the said *A. B.*, by accepted or discounted bills, letters of credit, guarantees, or in any other manner of way not exceeding in all the said sum of *five hundred* pounds, over and above what of the proper cash of me, the said *A. B.*, may happen to be lodged on the said cash account; and that at any time when the same shall be demanded, after six months from the date hereof, with the legal interest thereof from the time of advance until the same be repaid, and a fifth part more of the said principal sum of penalty, in case of failure or proportionally effeiring to the sum due, and it is hereby declared, that a stated account, made out from the books of the said bank, and signed by

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the manager, secretary, or accountant thereof, for the time with reference to this present bond, shall be sufficient without any other voucher to constitute and ascertain a balance and change against us, and no suspension shall pass upon the change so constituted and ascertained, but on consignation only. And we consent to the registration hereof, in the books of council and session, for others competent, that letters of horning, on six days' change and all other necessary execution, may pass upon a decree, to be interposed hereto, in common form, and for that purpose we constitute our Procurators _____.

In witness whereof, the present written upon stamped paper by _____.

IX. — *Letters of Credit,*

Granted by the Bank upon its Agents or Branches.

(1.)

_____ BANKING COMPANY.

To _____

SIR,

There has this day been lodged at this office by _____ the sum of _____ for the credit of _____ whose drafts to that amount you will honor, and charge the same to the account of the _____ Banking Company.

I am, Sir,

Your obedient Servant,

£ _____ *Manager.*

Entered _____ *Accountant.*

(2.)

_____ BANKING COMPANY.

No.

To _____

(Not Transferable.)

SIR,

You will be pleased to credit _____ in the sum of _____ and charge the same to the account of the _____ Banking Company, with this branch.

I am, SIR,

Your obedient Servant,

_____ *Manager.*

£

Entered _____ *Accountant.*

(3.)

_____ BANKING COMPANY.

Messrs. _____

Paris. _____ 18 _____

GENTLEMEN,

This letter will be presented to you by _____ to whom you will be pleased to pay to the extent of _____ deducting your charges, and taking for your reimbursement his drafts on this bank, which will meet with due honor.

I am, &c.

_____

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(4.)

Messrs. _____

New York.

This letter will be presented to you by Mr. _____, in whose favor we beg to establish a credit for _____ pounds sterling. You will please hold this sum, or any part thereof at his disposal, less your usual charges, and take in exchange his drafts upon this bank, which will be duly honored. It is understood that this credit is to be available for one year from this date, at which period, if Mr. _____ has not made use of it, you will consider it cancelled. We shall forward you, in our next letter, the signature of Mr. _____ to, which we refer.

I am, &c.

_____

X. — *Deposit Receipts.*

These are receipts for money, upon which the bank allows interest. The following form may be used:

_____ BANKING COMPANY.

_____ 18 ____

No. £_____

Received from _____ the sum of _____ sterling to the credit of his deposit account with the _____ Banking Company.

By Order of the Board of Directors.

Entered _____ *Accountant.* _____ *Manager.*

The following form is a much better one, but, unfortunately, it is illegal. According to law, we cannot introduce the rate of interest allowed, nor the notice required, unless the receipt be stamped. It may be hoped, that in the next Stamp Act, the Chancellor of the Exchequer will introduce a clause permitting the use of such receipts as the following. It is used by a highly respectable bank in one of the Midland Counties:

_____ BANKING COMPANY.

No.

_____ 18 _____

Received from _____ the sum of _____ for which we are accountable with interest at the rate of _____ per cent. per annum, on receiving _____ days' notice. Interest to cease from day of notice.

For the Directors and Proprietors of the _____ Banking Company.

£ _____ *Manager.*

No interest allowed unless the money remains three months.

XI. — *Requisition Notes.*

These are notes or memorandums which are used by some banks to enable their customers to state with less trouble what they require, and

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to specify the cash they pay into the bank. They are usually placed on the counter, to be ready when wanted. The following are the forms most in use:—

(1.)

REQUISITION NOTE.

To be filled up by Parties desiring Receipts for Money deposited, Letters of Credit, or Bills on _____

day of _____ 18

Wanted from the _____ Banking Company

the Manager's _____

in favor of _____

for the sum of _____

_____ *Applicant.*

Entered £ _____

Specification of Money presented to the Cashier.			

(2.)

LETTER OF CREDIT.

Specification of Money.	£
Bank of England Notes	
Gold	
Silver and Copper . .	
Local Notes	
Bills	
£	— — —

_____ 18____

Wanted, the _____ Banking Company's Letter of Credit on _____

in favor of _____

for _____ £

_____ *Applicant.*

Entered to Credit of _____

(3.)

PAYMENT TO CREDIT OF CURRENT ACCOUNT.

Specification of Money.	£
Bank of England Notes	
Gold	
Silver and Copper . .	
Local Notes	
Bills	
£	— — —

_____ 18____

Paid to the _____ Banking Company, the sum of _____

to be placed to the credit of _____

in current account with said bank.

By _____

Entered in the Bank's Cash Book, £ _____ *Teller.*

(4.)

APPLICATION FOR ACCOUNT.

Names of Persons composing the Firm.

Firm . . . . . _____

Business . . . _____

Residence . . . _____

Probable return . . . £

Advance required . . £

Security proposed . . .

Order of the Board per Minute, dated _____18

_____

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(5.)

BILLS DISCOUNTED

By the _____. _____ *Banking Company at* _____,
to _____, *on* _____, 18____.

No.	When Payable.	Postage.	When P'ble.	Days.	Amount of Bill.	Discount.	Proceeds.

XII. — *A Letter*

Summoning a General Meeting of the Shareholders.

_____ BANKING COMPANY.

_____, 18____.

SIR,

I beg leave to inform you that the Annual General Meeting of the Proprietors of this Company, pursuant to the deed of settlement, will be held at twelve o'clock on _____ instant, at the _____ in this place, for the purpose of electing Directors, and for the despatch of other business.

A list of all the Proprietors qualified for the direction by holding fifty shares and upwards, is annexed.

I am, Sir,
Your obedient Servant,

_____, *Manager.*

Most large banks have also a printed form for their letters of ordinary correspondence, as the following: —

SIR,

I beg to acknowledge the receipt of your favor of the _____, inclosing sundries £_____ and undue bills _____ £_____ for the credit of your account. Your advices have due attention.

You are credited for the following _____ sums received.

I am, Sir,
Your most obedient Servant,

_____

XIII. — *Special Contracts.*

Those joint-stock banks that are not formed under the Act of 7th Geo. IV. Cap. 46, sue and are sued in the names of their trustees.* And to enable them to do so, those parties who open accounts with the bank

* These banks obtained in 1844 the power of suing and being sued in the names of their registered public officers.

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enter into a special contract. This may be done by a letter addressed to the trustees personally, in a form similar to the following: —

To A. B., C. D., and E. F.

_____ 18____.

GENTLEMEN,

You engaging that the _____ Banking Company shall pay to me whatever sums may be due to me on my current or other accounts with it, I hereby agree, as a separate contract with you, to pay to you or the survivors of you, after demand, the balance, if any, which shall at any time hereafter be due by me to the said Banking Company on those accounts or otherwise.

I am, Gentlemen,

Your obedient Servant,

_____

XIV. — *Notices of Calls for further Payment on Shares.*

_____ BANKING COMPANY.

_____, 18____.

SIR,

I beg to inform you that the Board of Directors of this Company, agreeably to the powers contained in clause No. ____ of the deed of constitution of the Company, have made a third call of £ _____ per share on each of the shares in the Company, and that the same will become payable on the _____ of _____ next.

The certificate for your share is at _____, and will be delivered to you on payment of £ _____, and in exchange for that now in your possession.

You will please to take notice, that all payments for calls must be made free of postage, and in cash, on or before the _____ of _____, otherwise they will not be received except with interest at the rate of 5 per cent. per annum from that date.

I am, Sir,

Your most obedient Servant,

_____, *Manager.*

XV. — *Certificates of Shareholders.*

_____ BANKING COMPANY.

CENTRAL BANK, _____.

This is to certify that Mr. _____, of _____, is a proprietor of _____ shares in the capital stock of the _____ Banking Company, on which _____ per share has been paid. And as the proprietor thereof, he is entitled to all benefits and emoluments arising from such shares, agreeably to the deed of settlement of the company, dated the ____ day of _____, 18____.

As witness our hand this ____ day of _____, one thousand eight hundred and _____.

No. ____. _____ } *Two of the Directors*
_____ } *of the Company.*

Registered _____.

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Some banks exchange the old certificates for new ones after every call; others do not grant new certificates; and some do not issue certificates at all, unless a party requests to have some evidence that he is a shareholder.

XVI. — *Deed of Transfer.*

This deed is executed by the buyer and seller of any shares in the bank, after the directors have given their consent to the transfer. The following is the form of this instrument: —

This Indenture, made the ___ day of _____, 18__, between _____, of _____, of the first part; _____, of _____, of the second part; and _____, of the City of _____, trustees (appointed by the board of directors of the _____ Banking Company) of the covenant hereinafter contained, of the third part.

Whereas the said _____ has become the purchaser, with the approbation of the said board of direction, of ____ share in the capital of the said company: on each of which shares the sum of _____ pounds still remains unpaid.

Now this indenture witnesseth, that in consideration of the sum of _____, at or before the sealing and delivery of these presents paid by the said _____ to the said _____, the receipt of which said sum of _____ the said _____ doth hereby acknowledge, and from the same and every part thereof doth release and for ever discharge the said _____, his heirs, executors, administrators, and assigns: the said _____ hath bargained, sold, and assigned, and by these presents doth bargain, sell, and assign unto the said _____, his executors, administrators, and assigns, all those the said shares of his, the said _____, in the capital of the _____ Banking Company, and all benefits, advantages, powers, and privileges attending the same; to have, hold, receive, and take the said shares hereby assigned, and the said benefits, advantages, powers, and privileges attending the same, unto the said _____, his executors, administrators, and assigns, for his and their own use and benefit.

And the said _____ doth hereby, for himself, his heirs, executors, and administrators, covenant, promise, and agree, with and to the said _____, and _____, their executors and administrators, that in respect of the share hereby assigned, and all and every other share and shares which the said _____ may hereafter purchase in the capital of the said company, he, the said _____, his heirs, executors, or administrators, shall and will, well and truly, in all respects, observe, perform, and keep all and singular the covenants, agreements, and provisions, contained in the deed of settlement of the said company, bearing date the ____ day of _____, 18__, so far as the same ought on his or their parts to be observed, performed, and kept.

In witness whereof, the said parties to these presents have hereunto set their hands and seals, the day and year first above-written.

Witness to the identity and signature of _____ } _____
_____ }
Signed, sealed, and delivered by _____ }
In the presence of _____ } _____

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MEMORANDUM.

It is needful that this document should be completed and left at the office of the company without delay, when a certificate of the shares will be given to the purchaser, into whose name the shares cannot be placed until this regulation is complied with.

XVII. — *Circular Notes, issued by the London and Westminster Bank.*

LONDON AND WESTMINSTER BANK.

No. ____. LETTRE DE CREDIT CIRCULAIRE pour £ _____ Sterls.

À Messieurs, les Banquiers, désignés dans nos Lettres d'Indication. *Londres, ce* _____, 18__.

MESSIEURS,

Cette lettre vous sera remise par M. _____, dont vous trouverez la signature dans notre Lettre d'Indication susdite. Je vous prie de vouloir bien lui compter sans frais quelconques, la valeur de _____ Livres Sterlins, au cours à Usance sur Londres contre sa traite ci-jointe sur cette Banque.

J'ai l'honneur d'être,
Messieurs,
Votre très obeissant Serviteur,

_____, *Secrétaire.* _____, *Gérant.*

On the other side: —

LONDON AND WESTMINSTER BANK.

£_____. *Londres, ce* _____, 18__.

A sept jour de vue préfix payez, à l'ordre de M. _____, _____ Livres Sterlins valeur recue.

À _____,
ce _____, 18__.

These Circular Notes are accompanied by the following Letter of Indication: —

LETTRE D'INDICATION.

LONDON AND WESTMINSTER BANK.

Londres, ce _____, 18__.

MESSIEURS,

Le porteur de cette Lettre, M. _____, pour lequel nous réclamons vos attentions, est muni de nos Billets de Change Circulaires pour son voyage. Nous vous prions de lui en fournir la valeur sur son double acquit au cours du change à usance sur notre place, et sans déductions de frais, d'après nos instructions.

Si la ville où il en touchera le montant n'a pas de change direct sur Londres, vous voudrez bien en combiner un avec la place cambiste la plus voisine.

Vous observerez que tout Agio sur espèces d'or, ou d'argent, et tous frais extraordinaires dans le cas d'un remboursement indirect, doivent être supportés par le porteur, et ne peuvent être à notre charge.

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Cette Lettre devant accompagner nos Billets Circulaires doit rester dans les mains de leur porteur jusqu'à leur épuisement.

Nous avons l'honneur d'être,

Messieurs,

Vous très humble et très

obéissants Serviteurs,

_____, *Gérant.*

_____, *Secrétaire.*

Villes.	*Correspondans.*
Abbeville,	MM. Gavelle & Cie.
Aix la Chapelle,	Oeder & Cie.
Do.	Charlier & Schiebler.
Aix en Provence,	Guiton Talamel.
Aleppo,	Wm. & Robt. Black & Co.
Alexandrie,	Briggs & Cie.
Amiens,	Grimaux & Codeville.
Amsterdam,	Hope & Cie.
Ancone,	G. Terni & Fils.
Anvers,	Osy & Cie.
Athènes,	F. Strong.
Augsbourg,	P. de Stettin.
Avignon,	Thomas Frères.
Avranches,	F. Hullin.
Baden Baden,	F. S. Meyer.
Do.	Augustus Klose.
Bagnères de Bigorre,	Villeneuve & Cie.
Barcelone,	Gerona, Frères Clavé, & Cie.
Barèges,	Villeneuve & Co.
Basle,	Vischer & Fils.
Bayonne,	Capt. Graham.
Beirout,	Wm. & Robt. Black & Co.
Bergen,	A. Grieg & Fils.
Berlin,	Les Frères Schickler.
Berne,	Marcuard & Cie.
Besançon,	Jacquard & Cie.
Blois,	A. Bruère.
Bologne en Italie,	F. Perotti.
Bonn,	Jonas Cahn.
Bordeaux,	Barton & Guestier.
Boulogne *S/M.*	Alexandre Adam & Cie.
Bremen,	H. Schroder Fils.
Breslaw,	Eichhorn & Cie.
Bruges,	F. Du Jardin.
Brunswick,	Frères Lobbecke & Cie.
Brünn,	J. Herring.
Bruxelles,	F. Brugmann & Fils.
Cadiz,	Lonergan Frères & Cie.
Caen,	E. Guilberr & Cie.
Cairo,	Briggs & Cie.
Calais,	P. Devôt & Cie.
Cambray,	N. Boniface & Fils.
Carlsbad,	B. Gottl & Fils.

Villes.	*Correspondans.*
Carlsruhe,	MM. Augustus Klose.
Cassel (Hesse),	L. Feidel.
Cette,	F. Durand & Fils.
Chambery,	Ve. Python & Genoud Fils, aîné.
Cherbourg,	Mauger Frères.
Civita Vecchia,	John Thomas Lowe, jun.
Coblentz,	F. H. Kehrmann.
Cobourg,	Schraidt & Cie.
Cologne,	J. D. Herstatt.
Constance,	Macaire & Cie.
Constantinople,	Chas. S. Hanson & Cie.
Copenhagen,	Frolich & Cie.
Corfu,	J. Courage.
Damascus,	G. H. Gibb & Cie.
Dantzig,	Gibsone & Cie.
Darmstadt,	J. A. Zoeppritz.
Dieppe,	Quenouille aîné.
Dijon,	Drevon & Marion.
Dresde,	M. Kaskel.
Dunkirk,	Charles Carlier.
Dusseldorf,	G. Cleff.
Elberfeld,	Vonder Heydt Kersten & Fils.
Elsineur,	N. & C. Fenwick.
Emms,	Deinhard & Jordan.
Florence,	Plowden & French.
Frankfort *S/M.*,	Gogel, Koch & Cie.
Do.	M. A. de Rothschild & Sons
Gand,	Bank of Flanders.
Gènes,	Gibbs & Co.
Genève,	Lombard, Odier & Cie.
Gibraltar,	Archbold & Cie.
Gottingen,	L. & P. Benfey.
Grafenburg,	Arnstein & Eskeles.
Hague,	Scheurleer & Fils.
Hambourg,	S. Heine.
Hanovre,	L. & A. H. Cohen.
Havre,	— Dubois & Cie.
Do.	Etienne Troteux.
Heidelberg,	C. A. Fries.
Inspruck,	Louis J. Mayer.
Interlachen,	Isidor Jackowski.
Jerusalem,	W. T. Young.
Kissingen,	Frères Bolzano.

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Villes.	*Correspondans.*
Konigsberg,	MM. C. L. Andersch.
Lausanne,	Chas. Bugnion.
Leipsig,	M. Kaskel.
Do.,	Frège & Cie.
Liège,	M. J. Vercour & Cie.
Lille,	Rouzé Mathon.
Linz,	J. M. Scheibenpogen Eidam.
Lisbonne,	H. G. Scholtz.
Livourne,	W. Macbean & Cie.
Lubec,	Frères Muller.
Lucerne,	F. Knoerr & Fils.
Lucques,	F. Petri.
Do. Bains de	Plowden & French.
Lyons,	Ve. Guerin & Fils.
Madeira,	Murdock, Shortridge, & Cie.
Madrid,	H. O. Shea & Cie.
Malaga,	John Giro
Malta,	Jas. Bell & Cie.
Manheim,	J. G. Reinhardt.
Marienbad,	Bernard Gottl.
Marseilles,	Salavay, Père, Fils, & Cie.
Mayence,	Fred. Korn.
Memel,	
Messina,	Cailler & Cie.
Metz,	
Milan,	Carli di Tommaso & Cie.
Montpellier,	F. Durand & Fils.
Moscow,	J. L. Burckhardt.
Munich,	A. E. D'Eichthal.
Nancy,	Elie Baille.
Nantes,	P. Ciret & Cie.
Naples,	W. J. Turner & Co.
Do.	C. M. de Rothschild & Sons.
Neufchatel,	F. Henri Nicolas.
New York,	J. G. King & Sons.
Nice,	E. Carlone & Cie.
Nismes,	Vincens Devillas & Cie.
Nuremberg,	Leonard Kalb.
Odessa,	E. Mahs & Cie.
Oporto,	Burmester & Co.
Orleans,	Daquêt aine & Cie.
Ostend,	F. A. Belleroche.
Palermo,	G. Wood & Cie.
Paris,	Callaghan & Fils.
Do.	De Rothschild Frères.
Parma,	L. Laurent.

Villes.	*Correspondans.*
Pau,	MM. Merillon aine,
Perpignan,	F. Durand.
Pesth,	C. J. Malvieux.
Pisa,	F Peverada.
Prague,	C. A. Feidler & Fils.
Presbourg,	Arnstein & Eskeles.
Rastadt,	F. S Meyer.
Ratisbonne,	G. W. Henle
Rennes,	C. Le Ray.
Rheims,	Ruinart, Père & Fils.
Riga,	
Rome,	Torlonia & Cie.
Do.	Plowden, Cholmeley, & Co.
Rouen,	J. Faucon.
Rotterdam,	D & C. Blankenheyn.
Salzbourg,	— Spath, jne.
Schaffhouse,	Frey & Fils.
Schwalbach,	M. Berle.
Seville,	Cahill, White & Cie.
Smyrna,	Lee & Fils.
St. Gall,	J. J. Meyer Fils.
St Malo,	P. Fontan.
St. Omer,	A. Caffieri.
St. Petersburgh,	Cayley, Moberly & Cie.
Spa,	J. F. Hayémal.
Stockholm,	Tottie & Arfwedson.
Stuttgard,	Les Fils de G. H. Keller.
Strasbourg,	Renouard de Bussière.
Tarbes,	Villeneuve & Cie.
Toplitz,	Emanuel Mayer.
Toulon,	
Toulouse,	J. Cassaing & Co.
Tours,	Gouin Frères.
Treves,	Reverchon & Cie.
Trieste,	J. Collioud.
Turin,	Nigra Frères.
Valenciennes,	G. Serret & Cie.
Venice,	Schielin Frères.
Verona,	J. Smania.
Vevey,	P. Genton & Cie.
Vienne,	Arnstein & Eskeles.
Utrecht,	Vlaer & Kol.
Warsaw,	S A. Fraenkel.
Weimer,	J. Elkan.
Wiesbaden,	M. Berle.
Wurzbourg,	G. Ochninger.
Zurich,	Gaspard Schulthéss & Co.

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LAWS OF THE UNITED STATES.

I. Of the Mint. II. Of Foreign Coins Current in the United States.

From Gordon's Digest of the Laws of the United States.

CHAPTER I.

Of the Mint.

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ART. 2574. A mint, for the purpose of a national coinage, shall be established, to be situated and carried on at Philadelphia for the time being. Acts 1792, 1795, 1823, 1828.

2575. The officers of the mint of the United States shall be a director, a treasurer, an assayer, a melter and refiner, a chief coiner, and engraver, to be appointed by the President of the United States, by and with the advice and consent of the Senate. Act 18th January, 1837, sec. 1.

2576. The respective duties of the officers of the mint shall be as follows: —

First. The director shall have the control and management of the mint, the superintendence of the officers and persons employed therein, and the general regulation and supervision of the business of the several branches. And in the month of January of every year he shall make a report to the President of the United States of the operations of the mint and its branches for the year preceding. And also to the Secretary of the Treasury, from time to time, as said Secretary shall require, setting forth all the operations of the mint subsequent to the last report made upon the subject.

Second. The treasurer shall receive and safely keep all moneys which shall be for the use and support of the mint; shall keep all the current accounts of the mint, and pay all moneys due by the mint, on warrants from the director. He shall receive all bullion brought to the mint for coinage; shall be the keeper of all bullion and coin in the mint, except while the same is legally placed in the hands of other officers, and shall, on warrants from the director, deliver all coins struck at the mint to the persons to whom they shall be legally payable. And he shall keep regular and faithful accounts of all the transactions of the mint, in bullion and coins, both with the officers of the mint and the depositors; and shall present, quarter-yearly, to the treasury department of the United States, according to such forms as shall be prescribed by that department, an account of the receipts and disbursements of the mint, for the purpose of being adjusted and settled.

Third. The assayer shall carefully assay all metals used in coinage, whenever such assays are required in the operations of the mint; and he shall also make assays of coins whenever instructed to do so by the director.

Fourth. The melter and refiner shall execute all the operations which are necessary in order to form ingots of standard silver or gold, suitable for the chief coiner, from the metals legally delivered to him for that purpose.

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Fifth. The chief coiner shall execute all the operations which are necessary in order to form coins, conformable in all respects to the law, from the standard silver and gold ingots, and the copper planchets, legally delivered to him for this purpose.

Sixth. The engraver shall prepare and engrave, with the legal devices and inscriptions, all the dies used in the coinage of the mint and its branches. Ibid., sec. 2.

2577. The director shall appoint, with the approbation of the President, assistants to the assayer, melter and refiner, chief coiner, and engraver, and clerks for the director and treasurer, whenever, on representation made by the director to the President, it shall be the opinion of the President that such assistants or clerks are necessary. And it shall be the duty of the assistants to aid their principals in the execution of their respective offices, and of the clerks to perform such duties as shall be prescribed for them by the director. Ibid., sec. 3.

2578. Whenever any officer of the mint shall be temporarily absent on account of sickness, or any other sufficient cause, it shall be lawful for the director, with the assent of said officer, to appoint some person attached to the mint to act in the place of such officer during his absence, and the director shall employ such workmen and servants in the mint as he shall from time to time find necessary. Ibid., sec. 4.

2579. Every officer, assistant, and clerk of the mint, shall, before he enters upon the execution of his office, take an oath or affirmation before some judge of the United States, or judge of the superior court or any court of record of any State, faithfully and diligently to perform the duties thereof. Ibid., sec. 5.

The following officers of the mint, before entering upon the execution of their respective offices, shall become bound to the United States, with one or more sureties, to the satisfaction of the Secretary of the Treasury, in the sums hereinafter mentioned, with condition for the faithful and diligent performance of the duties of their offices, viz.: — The treasurer in the sum of ten thousand dollars; the assayer in the sum of five thousand dollars; the melter and refiner in the sum of ten thousand dollars; and the chief coiner in the sum of ten thousand dollars. And similar bonds may also be required of the assistants and clerks, in such sums as the director shall determine, with the approbation of the Secretary of the Treasury. Ibid., sec. 6.

2580. There shall be allowed to the officers of the mint the following salaries per annum: — To the director, for his services, including travelling expenses incurred in visiting the different branches, and all other charges whatever, three thousand five hundred dollars; to the treasurer, assayer, melter and refiner, chief coiner, and engraver, each, two thousand dollars; to the assistants and clerks, such annual salaries shall be allowed as the director may determine, with the approbation of the President: *Provided*, That an assistant shall not receive more than fifteen hundred dollars; and that a clerk shall not receive more than twelve hundred dollars; to the workmen and servants shall be allowed such wages, to be determined by the director, as may be customary and reasonable, according to their respective stations and occupations; and that the salaries pro-

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vided for in this section shall be payable in quarterly instalments. Ibid., sec 7.

2581. The standard for both gold and silver coins of the United States shall hereafter be such, that, of one thousand parts by weight, nine hundred shall be of pure metal, and one hundred of alloy; and the alloy of the silver coins shall be of copper; and the alloy of the gold coins shall be of copper and silver, provided that the silver do not exceed one half of the whole alloy. Ibid., sec. 8.

Of the silver coins, the dollar shall be of the weight of four hundred and twelve and one half grains; the half-dollar of the weight of two hundred and six and one fourth grains; the quarter-dollar of the weight of one hundred and three and one eighth grains; the dime, or tenth part of a dollar, of the weight of forty-one and a quarter grains; and the half-dime, or twentieth part of a dollar, of the weight of twenty grains and five eighths of a grain. And the dollars, half-dollars, and quarter-dollars, dimes, and half-dimes, shall be legal tenders of payment, according to their nominal value, for any sums whatever. Ibid., sec. 9.

Of the gold coins, the weight of the eagle shall be two hundred and fifty-eight grains; that of the half-eagle one hundred and twenty-nine grains; and that of the quarter-eagle sixty-four and one half grains. And for all sums whatever, the eagle shall be a legal tender of payment for ten dollars, the half-eagle for five dollars, and the quarter-eagle for two and a half dollars. Ibid., sec. 10.

The silver coins heretofore issued at the mint of the United States, and the gold coins issued since the thirty-first day of July, one thousand eight hundred and thirty-four, shall continue to be legal tenders of payment for their nominal values, on the same terms as if they were of the coinage provided for by this act. Ibid., sec. 11.

2582. The gold coins of the United States shall contain the following quantities of metal, that is to say, each eagle shall contain two hundred and thirty-two grains of pure gold, and two hundred and fifty-eight grains of standard gold; each half-eagle one hundred and sixteen grains of pure gold, and one hundred and twenty-nine grains of standard gold; each quarter-eagle shall contain fifty-eight grains of pure gold, and sixty-four and a half grains of standard gold; every such eagle shall be of the value of ten dollars; every such half-eagle shall be of the value of five dollars; and every such quarter-eagle shall be of the value of two dollars and fifty cents; and the said gold coins shall be receivable in all payments, when of full weight, according to their respective values; and when of less than full weight, at less values, proportioned to their respective actual weights. Act 28th June, 1834, sec. 1.

2583. All standard gold or silver deposited for coinage after the thirty-first of July next, shall be paid for in coin under the direction of the Secretary of the Treasury, within five days from the making of such deposit, deducting from the amount of said deposit of gold and silver one half of one per centum: *Provided*, That no deduction shall be made unless said advance be required by such depositor within forty days. Ibid., sec. 2.

2584. All gold coins of the United States minted anterior to the thirty-

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first day of July next, shall be receivable in all payments at the rate of ninety-four and eight tenths of a cent per pennyweight. Ibid., sec. 3.

2585. The better to secure a conformity of the said gold coins to their respective standards as aforesaid, from every separate mass of standard gold which shall be made into coins at the said mint, there shall be taken, set apart by the treasurer, and reserved in his custody, a certain number of pieces, not less than three, and that once in every year the pieces so set apart and reserved shall be assayed under the inspection of the officers, and at the time and in the manner now provided by law, and, if it shall be found that the gold so assayed shall not be inferior to the said standard hereinbefore declared, more than one part in three hundred and eighty-four in fineness, and one part in five hundred in weight, the officer or officers of the said mint whom it may concern shall be held excusable; but if any greater inferiority shall appear, it shall be certified to the President of the United States, and if he shall so decide, the said officer or officers shall be thereafter disqualified to hold their respective offices: *Provided*, That if, in making any delivery of coin at the mint in payment of a deposit, the weight thereof shall be found defective, the officer concerned shall be responsible to the owner for the full weight, if claimed at the time of delivery. Ibid., sec. 4.

2586. Of the copper coins, the weight of the cent shall be one hundred and sixty-eight grains, and the weight of the half-cent eighty-four grains. And the cent shall be considered of the value of one hundredth part of a dollar, and the half-cent of the value of one two-hundredth part of a dollar. Act 18th January, 1837, sec. 12.

2587. Upon the coins struck at the mint there shall be the following devices and legends: — Upon one side of each of said coins there shall be an impression emblematic of liberty, with an inscription of the word LIBERTY, and the year of the coinage; and upon the reverse of each of the gold and silver coins, there shall be the figure or representation of an eagle, with the inscription, United States of America, and a designation of the value of the coin; but on the reverse of the dime and half-dime, cent and half-cent, the figure of the eagle shall be omitted. Ibid., sec. 13.

2588. Gold and silver bullion brought to the mint for coinage shall be received and coined, by the proper officers, for the benefit of the depositor: *Provided*, That it shall be lawful to refuse, at the mint, any deposit of less value than two hundred dollars, and any bullion so base as to be unsuitable for the operations of the mint: *And provided also*, That when gold and silver are combined, if either of these metals be in such small proportion that it cannot be separated advantageously, no allowance shall be made to the depositor for the value of such metal. Ibid., sec. 14.

When bullion is brought to the mint for coinage, it shall be weighed by the treasurer, in the presence of the depositor, when practicable, and a receipt given, which shall state the description and weight of the bullion: *Provided*, That when the bullion is in such a state as to require melting before its value can be ascertained, the weight after melting shall be considered as the true weight of the bullion deposited. Ibid., sec. 15.

2589. From every parcel of bullion deposited for coinage, the treasurer

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shall deliver to the assayer a sufficient portion for the purpose of being assayed; but all such bullion remaining from the operations of the assay shall be returned to the treasurer by the assayer. Ibid., sec. 16.

The assayer shall report to the treasurer the quality or standard of the bullion assayed by him; and he shall also communicate to the treasurer such information as will enable him to estimate the amount of the charges hereinafter provided for, to be made to the depositor, for the expenses of converting the bullion into standard metal fit for coinage. Ibid., sec. 17.

2590. The only subjects of charge by the mint to the depositor shall be the following: — For refining when the bullion is below standard; for toughening when metals are contained in it, which render it unfit for coinage; for copper used for alloy when the bullion is above standard; for silver introduced into the alloy of gold; and for separating the gold and silver when these metals exist together in the bullion; and that the rate of these charges shall be fixed, from time to time, by the director, with the concurrence of the Secretary of the Treasury, so as not to exceed, in their judgment, the actual expense to the mint of the materials and labor employed in each of the cases aforementioned; and the amount received from these charges shall be accounted for, and appropriated for defraying the contingent expenses of the mint. Ibid., sec. 18.

2591. From the report of the assayer, and the weight of the bullion, the treasurer shall estimate the whole value of each deposit, and also the amount of the charges or deductions, if any; of all which he shall give a detailed memorandum to the depositor; and he shall also give, at the same time, under his hand, a certificate of the net amount of the deposit, to be paid in coins of the same species of bullion as that deposited. Ibid., sec. 19.

2592. Parcels of bullion shall be, from time to time, transferred by the treasurer to the melter and refiner; a careful record of these transfers, noting the weight and character of the bullion, shall be kept; and the bullion thus placed in the hands of the melter and refiner shall be subjected to the several processes which may be necessary to form it into ingots of the legal standard, and of a quality suitable for coinage. Ibid., sec. 20.

The ingots thus prepared shall be assayed by the assayer, and if they prove to be within the limits allowed for deviation from the standard, they shall be transferred by the melter and refiner to the treasurer, accompanied by the assayer's certificate of their fineness; and a careful record of the transfer shall be kept by the treasurer. Ibid., sec. 21.

2593. No ingots of gold shall be used for coinage of which the quality differs more than two thousandths from the legal standards, and no ingots of silver shall be used for coinage of which the quality differs more than three thousandths from the legal standard. Ibid., sec. 22.

2594. In the treasurer's account with the melter and refiner, the melter and refiner shall be debited with the standard weight of all the bullion placed in his hands, that is to say, with the weight of metal of legal standard fineness which it will make; and he shall be credited by the standard weight of all the ingots delivered by him to the treasurer, and once at least in every year, at such time as the director shall appoint, the melter and refiner shall deliver up to the treasurer all the bullion in his posses-

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sion, in order that his accounts may be settled up to that time; and in this settlement he shall be entitled to a credit for the difference between the whole amount of bullion delivered to him and received from him, since the last settlement, as an allowance for necessary waste: *Provided*, That this allowance shall not exceed two thousandths of the whole amount of gold and silver bullion, respectively, that had been delivered to him by the treasurer. Ibid., sec. 23.

2595. The treasurer shall, from time to time, deliver over to the chief coiner ingots for the purpose of coinage; he shall keep a faithful record of these transfers, noting the weight and description of the ingots; and the ingots thus placed in the hands of the chief coiner shall be passed through the several processes necessary to make from them coins, in all respects conformable to law. Ibid., sec. 24.

2596. In adjusting the weight of the coins, the following deviations from the standard weight shall not be exceeded in any of the single pieces: In the dollar and half-dollar, one grain and a half; in the quarter-dollar, one grain; in the dime and half-dime, half a grain; in the gold coins, one quarter of a grain; in the copper coins, one grain in the pennyweight; and that in weighing a large number of pieces together, when delivered from the chief coiner to the treasurer, and from the treasurer to the depositors, the deviations from the standard weight shall not exceed the following limits: Four pennyweights in one thousand dollars; three pennyweights in one thousand half-dollars; two pennyweights in one thousand quarter-dollars; one pennyweight in one thousand dimes; one pennyweight in one thousand half-dimes; two pennyweights in one thousand eagles; one and a half pennyweight in one thousand half-eagles; one pennyweight in one thousand quarter-eagles. Ibid., sec. 25.

2597. The chief coiner shall, from time to time, as the coins are prepared, deliver them over to the treasurer, who shall keep a careful record of their kind, number, and weight; in receiving the coins, it shall be the duty of the treasurer to see whether the coins of that delivery are within the legal limits of the standard weight; and if his trials for this purpose shall not prove satisfactory, he shall cause all the coins of this delivery to be weighed separately, and such as are not of legal weight shall be delivered to the melter and refiner, as standard bullion, to be again formed into ingots and recoined. Ibid., sec. 26.

2598. At every delivery of coins made by the chief coiner to the treasurer, it shall be the duty of the treasurer, in the presence of the assayer, to take, indiscriminately, a certain number of pieces of each variety for the annual trial of coins (the number being prescribed by the director), which shall be carefully labelled and deposited in a chest appropriated for the purpose, kept under the joint care of the treasurer and assayer, and so secured that neither can have access to its contents without the presence of the other. Ibid., sec. 27.

2599. The chief coiner shall, from time to time, deliver to the treasurer the clippings and other portions of bullion remaining after the process of coining, and the treasurer shall keep a careful record of their amount. Ibid., sec. 28.

2600. In the treasurer's account with the chief coiner, the chief coiner

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shall be debited with the amount in weight of standard metal of all the bullion placed in his hands, and credited with the amount, also by weight, of all the coins, clippings, and other bullion delivered by him to the treasurer; and once at least in every year, at such time as the director shall appoint, the chief coiner shall deliver to the treasurer all the coins and bullion in his possession; so that his accounts may be settled up to that time; and in this settlement he shall be entitled to a credit for the difference between the whole amount of the ingots delivered to him, and of the coins and bullion received from him, since the last settlement, as an allowance for necessary waste: *Provided*, That this allowance shall not exceed two thousandths of the whole amount of the silver, or one thousandth of the whole amount of the gold, that had been delivered to him by the treasurer. Ibid., sec. 29.

2601. When the coins which are the equivalent to any deposit of bullion are ready for delivery, they shall be paid over to the depositor, or his order, by the treasurer, on a warrant from the director, and the payment shall be made, if demanded, in the order in which the bullion shall have been brought to the mint, giving priority according to priority of deposit only, and in the denominations of coin delivered, the treasurer shall comply with the wishes of the depositor, unless when impracticable or inconvenient to do so; in which case the denominations of coin shall be designated by the director. Ibid., sec. 30.

2602. For the purpose of enabling the mint to make the returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mint, when the state of the treasury will admit thereof, a deposit of such amount of public money, or of bullion procured for the purpose, as he shall judge convenient and necessary, not exceeding one million of dollars, out of which those who bring bullion to the mint may be paid the value thereof, as soon as practicable after this value has been ascertained; the bullion so deposited shall become the property of the United States; no discount or interest shall be charged on moneys so advanced; and the Secretary of the Treasury may at any time withdraw the said deposit, or any part thereof, or may, at his discretion, allow the coins formed at the mint to be given for their equivalent in other money. Ibid., sec. 31.

2603. To secure a due conformity in the gold and silver coins to their respective standards and weights, an annual trial shall be made of the pieces reserved for this purpose at the mint and its branches, before the judge of the District Court of the United States for the Eastern District of Pennsylvania, the attorney of the United States for the Eastern District of Pennsylvania, and the collector of the port of Philadelphia, and such other persons as the President shall from time to time designate for that purpose, who shall meet as commissioners, for the performance of this duty, on the second Monday in February, annually, and may continue their meetings by adjournment, if necessary; and if a majority of the commissioners shall fail to attend at any time appointed for their meeting, then the director of the mint shall call a meeting of the commissioners at such other time as he may deem convenient; and before these commissioners, or a majority of them, and in the presence of the officers of the

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mint, such examination shall be made of the reserved pieces as shall be judged sufficient; and if it shall appear that these pieces do not differ from the standard fineness and weight by a greater quantity than is allowed by law, the trial shall be considered and reported as satisfactory; but if any greater deviation from the legal standard or weight shall appear, this fact shall be certified to the President of the United States, and if, on a view of the circumstances of the case, he shall so decide, the officer or officers implicated in the error shall be thenceforward disqualified from holding their respective offices. Ibid., sec. 32.

2604. Copper bullion shall be purchased for the mint, from time to time, by the treasurer, under instructions from the director; the cost shall be paid from the fund hereinafter provided for; and the copper bullion shall be of good quality, and in the form of planchets fit for passing at once into the hands of the chief coiner. Ibid., sec. 33.

The copper planchets shall be delivered, from time to time, by the treasurer to the chief coiner, to be by him coined; and all such copper shall be returned to the treasurer, by the chief coiner, weight for weight, without allowance for waste. Ibid., sec. 34.

2605. It shall be the duty of the treasurer of the mint to deliver the copper coins, in exchange for their legal equivalent in other money, to any persons who shall apply for them: *Provided*, That the sum asked for be not less than a certain amount, to be determined by the director, and that it be not so great as in his judgment to interfere with the capacity of the mint to supply other applicants. Ibid., sec. 35.

The copper coins may, at the discretion of the director, be delivered in any of the principal cities and towns of the United States, at the cost of the mint for transportation. Ibid., sec. 36.

2606. The money received by the treasurer in exchange for copper coins shall form a fund in his hands, which shall be used to purchase copper planchets, and to pay the expense of transportation of copper coins; and if there be a surplus, the same shall be appropriated to defray the contingent expenses of the mint. Ibid., sec. 37.

2607. All acts or parts of acts heretofore passed, relating to the mint and coins of the United States, which are inconsistent with the provisions of this act, are hereby repealed. Ibid., sec. 38.

2608. Branches of the mint of the United States shall be established as follows: — One branch at the city of New Orleans for the coinage of gold and silver; one branch at the town of Charlotte, in Mecklenburg County, in the State of North Carolina, for the coinage of gold only; and one branch at or near Dahlohnega, in Lumpkin County, in the State of Georgia, also for the coinage of gold only. And for the purpose of purchasing sites, erecting suitable buildings, and completing the necessary combinations of machinery for the several branches aforesaid, the following sums, to be paid out of any money in the treasury not otherwise appropriated, shall be, and hereby are, appropriated; for the branch at New Orleans, the sum of two hundred thousand dollars; for the branch at Charlotte, fifty thousand dollars; for the branch at Dahlohnega, fifty thousand dollars. Act 3d March, 1835, sec. 1.

2609. For conducting the business of the branches, the following offi-

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cers shall be appointed, upon the nomination of the President, and with the advice and consent of the Senate: — At New Orleans, one superintendent, one treasurer, one assayer, one melter and refiner, and one coiner; at Charlotte and Dahlohnega, severally, one superintendent, who shall also perform the duties of treasurer, one assayer, who shall also perform the duties of melter and refiner, and one coiner. And the annual salaries of the said officers shall be as follows: — For the branch at New Orleans, to the superintendent, $ 2,500; to the treasurer, assayer, the melter and refiner, and the coiner, each $ 2,000; for the branches at Charlotte and Dahlohnega, to the superintendent, $ 2,000, and to the assayer and the coiner, each $ 1,500. [By act of 27th February, 1843, the duties of melter and refiner are transferred from the assayer to the coiner at the branches at Dahlohnega and Charlotte.]

The superintendent of each mint shall engage and employ as many clerks, and as many subordinate workmen and servants, as shall be provided for by law, to whom shall be paid, at New Orleans, to two clerks, $ 1,200 each; to the subordinate workmen and servants, not exceeding twenty in number, such wages and allowances as are customary and reasonable, according to their respective stations and occupations: for the branches at Charlotte and Dahlohnega, to the clerks, not exceeding one at each branch, $ 1,000; and to the subordinate workmen and servants, not exceeding the number of five at each of said branches, such wages and allowances as are customary and reasonable, according to their respective stations and occupations. Ibid., sec. 2. — 13th Feb., 1837, sec. 1.

The officers and clerks to be appointed under this act, before entering upon the duties thereof, shall take an oath or affirmation, before some judge of the United States, faithfully and diligently to perform the duties thereof; and shall each become bound to the United States of America, with one or more sureties, to the satisfaction of the director of the mint and the Secretary of the Treasury, with condition for the faithful and diligent performance of the duties of their offices. Act 3d March, 1835, sec. 3.

2610. The general direction of the business of the said branches of the mint of the United States shall be under the control and regulation of the director of the mint at Philadelphia, subject to the approbation of the Secretary of the Treasury; and for that purpose it shall be the duty of the said director to prescribe such regulations, and require such returns, periodically, and occasionally, as shall appear to him to be necessary for the purpose of carrying into effect the intention of this act in establishing the said branches; also, for the purpose of discriminating the coin which shall be stamped at each branch, and at the mint itself; also, for the purpose of preserving uniformity of weight, form, and fineness in the coins stamped at each place; and for that purpose, to require the transmission and delivery to him, at the mint, from time to time, of such parcels of the coinage of each branch as he shall think proper, to be subjected to such assays and tests as he shall direct. Ibid., sec. 4.

2611. All the laws and parts of laws, made for the regulation of the mint of the United States, and for the government of the officers and per-

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sons employed therein, and for the punishment of all offences connected with the mint or coinage of the United States, shall be, and the same are hereby declared to be, in full force, in relation to each of the branches of the mint by this act established, so far as the same shall be applicable thereto. Ibid., sec. 5.

2612. For the purpose of securing a due conformity in the weight of coins of the United States, the brass troy weight procured by the Minister of the United States at London, in the year 1827, for the use of the mint, and now in custody of the director thereof, shall be the standard troy pound of the mint of the United States, conformably to which the coinage thereof shall be regulated. Act 19th May, 1828, sec. 2.

Such director shall procure and safely keep a series of standard weights, corresponding to the aforesaid troy pound, consisting of a one-pound weight, and the requisite subdivisions and multiples thereof, from the hundredth part of a grain to twenty-five pounds. And the troy weights ordinarily employed in the transactions of the mint shall be regulated according to the above standards, at least once in every year; and their accuracy tested annually in the presence of the assay commissioners, on the day of the annual assay. Ibid., sec. 3.

2613. It shall be lawful for the director of the mint to receive, and cause to be assayed, bullion not intended for coinage, and to cause certificates to be given of the fineness thereof, by such officer as he shall designate for that purpose, at such rates of charge, to be paid by the owner of said bullion, and under such regulations, as the said director may, from time to time, establish. Ibid., sec. 7.

2614. The money of account of the United States shall be expressed in dollars, or units; dimes, or tenths; cents, or hundredths; and mills, or thousandths; a dime being the tenth part of a dollar; a cent the hundredth part of a dollar; a mill the thousandth part of a dollar; and all accounts in the public offices, and all proceedings in the courts of the United States, shall be kept and had in conformity to this regulation. Act 2d April, 1792, sec. 20.

2615. All foreign gold and silver coins, (except Spanish milled dollars, and parts of such dollars,) which shall be received in payment for moneys due to the United States, after the time when the coining of gold and silver coins shall begin at the mint of the United States, shall, previously to their being issued in circulation, be coined anew. Act 9th February, 1793, sec. 3.

2616. No copper coins or pieces whatsoever, except cents and half-cents, shall pass current as money, or shall be paid or offered to be paid, or received in payment for any debt, demand, claim, matter, or thing whatsoever; and all copper coins or pieces, except the cents and half-cents, which shall be paid or offered to be paid, or received in payment, contrary to the prohibition aforesaid, shall be forfeited, and every person by whom any of them shall have been so paid, or offered to be paid, or received in payment, shall also forfeit the sum of ten dollars, and the said forfeiture and penalty shall and may be recovered, with costs of suit, for the benefit of any person or persons by whom information of the incurring thereof shall have been given. Act 8th May, 1792, sec. 2.

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CHAPTER II.

Of Foreign Coins current in the United States.

Foreign Silver Coins current in the United States, ... 2617
Foreign Gold Coins current in the United States, ... 2618
Assays of such Coins to be annually made, ... 2619

ART. 2617. Spanish milled dollars, at the rate of one hundred cents for each, the actual weight whereof shall not be less than seventeen pennyweights and seven grains, and in proportion for the parts of a dollar, shall pass current as money within the United States, and be a legal tender for the payment of all debts and demands. Act 10th April, 1806.

The following silver coins shall be of legal value, and shall pass current as money within the United States, by tale, for the payment of all debts and demands, at the rate of one hundred cents the dollar; that is to say, the dollars of Mexico, Peru, Chili, and Central America, of not less weight than four hundred and fifteen grains each, and those restamped in Brazil, of the like weight, of not less fineness than ten ounces fifteen pennyweights of pure silver in the troy pound of twelve ounces of standard silver; and the five-franc pieces of France, when of not less fineness than ten ounces and sixteen pennyweights in twelve ounces troy weight of standard silver, and weighing not less than three hundred and eighty-four grains each, at the rate of ninety-three cents each. Act 25th June, 1834, sec. 1.

The following silver coins shall pass current as money within the United States, and be receivable by tale for the payment of all debts and demands, at the rates following; that is to say, the Spanish pillar dollars and the dollars of Mexico, Peru, and Bolivia, of not less than eight hundred and ninety-seven thousandths in fineness, and four hundred and fifteen grains in weight, at one hundred cents each; and the five-franc pieces of France, of not less than nine hundred thousandths in fineness, and three hundred and eighty-four grains in weight, at ninety-three cents each. Act 3d March, 1843, sec. 2.

2618. The following gold coins shall pass current as money within the United States, and be receivable in all payments, by weight, for the payment of all debts and demands, at the rates following; that is to say, the gold coins of Great Britain, Portugal, and Brazil, of not less than twenty-two carats fine, at the rate of ninety-four cents and eight tenths of a cent per pennyweight; the gold coins of France, nine tenths fine, at the rate of ninety-three cents and one tenth of a cent per pennyweight; and the gold coins of Spain, Mexico, and Colombia, of the fineness of twenty carats three grains and seven sixteenths of a grain, at the rate of eighty-nine cents and nine tenths of a cent per pennyweight. Act 28th June, 1834, sec. 1.

The following foreign gold coins shall pass current as money within the United States, and be receivable by weight, for the payment of all

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debts and demands, at the rates following; that is to say, the gold coins of Great Britain, of not less than nine hundred and fifteen and a half thousandths in fineness, at ninety-four cents and six tenths of a cent per pennyweight, and the gold coins of France, of not less than eight hundred and ninety-nine thousandths in fineness, at ninety-two cents and nine tenths of a cent per pennyweight. Act 3d March, 1843, sec. 1.

2619. It is the duty of the Secretary of the Treasury to cause assays of the aforesaid silver coins, made current by this act, to be had at the mint of the United States, at least once in every year, and to make report of the result thereof to Congress. Act 10th April, 1806. — Act 25th June, 1804. — Act 28th June, 1804. — Act 3d March, 1843.

THE MOUNTAIN OF LIGHT.

The following description of the great diamond, of which Bailey & Co. have got so perfect a copy at their splendid establishment in Chestnut Street, Philadelphia, will be interesting to many; and we publish it as a curious history. The imitation at Bailey's is a remarkably correct one, and should be seen by all.

From the London Spectator.

The Great Diamond. — At last has arrived safely in England that celebrated Eastern gem, the Koh-i-noor diamond, which came into British possession by the annexation of the kingdom of Lahore to our Indian dominions. It has been brought home from Bombay, in the Medea steam-sloop, by Colonel Mackeson, political agent, and Captain Ramsay, military secretary of the Indian governor-general. The *Times* has devoted a leading article to the history and adventures of this unrivalled jewel.

The Koh-i-noor, or "Mountain of Light," was discovered in the mines of Golconda at the time (1550) when the region of that name constituted the kingdom of Kootub Shah, under the suzerainty of the Mogul emperor, Shah Jemaum, father of the great Aurungzebe. Shah Jemaum was a most acute connoisseur in gems: it is related that after his deposition, and while in captivity, his successor submitted to his judgment the genuineness of a certain ruby in the imperial treasury which had been discredited, and his decision was received as beyond appeal. A scarcely inferior judge of such matters in those days was Meer Jumla, the prime minister of the king of Golconda; and the Mogul emperor and the king of Golconda having fallen out, the treacherous Meer Jumla forsook his master, contributed to his overthrow, and by the bribe of the Koh-i-noor obtained from the conquering Mogul the vacant throne. Thus the gem passed from Golconda to Delhi; and at Delhi, in 1665, it was seen by the privileged eyes of the French traveller, Tavernier, in the hands of Aurungzebe himself. "The Great Mogul sat on his throne of state, while the chief keeper of the jewels produced his treasures for inspection on two golden dishes. The magnificence of the collection was indescribable, but conspicuous in lustre, esteem, and value was the Koh-i-noor.

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"Sometimes worn on the person of the Moguls, sometimes adorning the famous peacock throne, this inestimable gem was safely preserved at Delhi until, in 1739, the empire received its fatal blow from the invasion of Nadir Shah. Among the spoils of conquest which the Persian warrior carried back with him in triumph to Khorassan, and which have been variously estimated as worth from thirty to ninety millions sterling, the Koh-i-noor was the most precious trophy; but it was destined to pass from Persia as quickly as that ephemeral supremacy in virtue of which it had been acquired. Nadir Shah had entertained in his service a body of Affghans of the Abdallee tribe, under the leadership of Ahmed Shah, who also served his master in the capacity of treasurer; and when the Persian conqueror was assassinated by his subjects, the Affghans, after vainly endeavoring to rescue or avenge him, fought their way to their own frontiers, though only 4,000 strong, through the hosts of the Persian army. In conducting this intrepid retreat, Ahmed Shah carried off with him the treasures in his possession; and was probably aided by these means as well as by his own valor in consolidating the new state which, under the now familiar title of the Doorannee Empire, he speedily created in Cabul. It seemed as if the Koh-i-noor carried with it the sovereignty of Hindostan; for the conquests of Ahmed were as decisive as those of Nadir, and it was by his nomination and patronage that the last emperor ascended the throne of the Moguls."

With the overthrow of the Doorannee monarchy by the consolidated power of the Sikhs, under Runjeet Singh, the jewel passed to a new master. Shah Shuja, of Cabul, was the last chief of the Abdallee dynasty who possessed it; and the mode of its transfer to Runjeet Singh is one of the most characteristic incidents in Eastern history. Shah Shuja was a fugitive from Cabul, under the equivocal protection of the Sikh chief. "Runjeet Singh was fully competent either to the defence or the restoration of the fugitive; but he knew or suspected the treasure in his possession, and his mind was bent upon acquiring it. He put the Shah under strict surveillance, and made a formal demand for the jewel. The Doorannee prince hesitated, prevaricated, temporized, and employed all the artifices of Oriental diplomacy; but in vain. Runjeet redoubled the stringency of his measures; and at length, the 1st of June, 1813, was fixed as the day when the great diamond of the Moguls should be surrendered by the Abdallee chief to the ascendant dynasty of the Singhs. The two princes met in a room appointed for the purpose, and took their seats on the ground. A solemn silence then ensued, which continued unbroken for an hour. At length Runjeet's impatience overcame the suggestions of Asiatic decorum, and he whispered to an attendant to quicken the memory of the Shah. The exiled prince spoke not a word in reply, but gave a signal with his eyes to a eunuch in attendance, who, retiring for a moment, returned with a small roll, which he set down upon the carpet midway between the two chiefs. Again a pause followed; when, at a sign from Runjeet, the roll was unfolded, and there, in its matchless and unspeakable brilliancy, glittered the Koh-i-noor.

"Excepting the somewhat doubtful claim of the Brazilian stone among the crown jewels of Portugal, the Koh-i-noor is the largest known dia-

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mond in the world. When first given to Shah Jehaun it was still uncut; weighing, it is said, in that rough state, nearly 800 carats, which were reduced by the unskilfulness of the artist to 279, its present weight. It was cut by Hortensio Borgis, a Venetian; who, instead of receiving a remuneration for his labor, was fined 10,000 rupees for his wastefulness, by the enraged Mogul. In form it is "rose-cut"; that is to say, it is cut to a point in a series of small faces, or "facets," without any tabular surface. A good general idea may be formed of its shape and size by conceiving it as the pointed half of a small hen's egg, though it is said not to have risen more than half an inch from the gold setting in which it was worn by Runjeet. Its value is scarcely computable, though two millions sterling has been mentioned as a justifiable price if calculated by the scale employed in the trade. The Pitt diamond, brought over from Madras by the grandfather of Lord Chatham, and sold to the Regent Orleans in 1717 for £ 125,000, weighs scarcely 130 carats; nor does the great diamond which supports the eagle on the summit of the Russian sceptre weigh as much as 200."

BANK STATISTICS.

CHARTER OF THE "BANK OF THE OLD DOMINION," GRANTED MARCH, 1851.— This charter is identical with all passed at this session of the Legislature of Virginia. We publish it in full for the information of our friends in Louisiana, Ohio, Missouri, &c., where free banking is now discussed.— ED. B. M.

An Act to Incorporate the Bank of the Old Dominion at Alexandria.

1. *Be it enacted by the General Assembly of Virginia*, That it shall be lawful to establish a bank in the town of Alexandria, the capital stock of which shall not be less than two hundred thousand nor more than five hundred thousand dollars, — to be raised by subscription, in shares of one hundred dollars each. Books of subscription, for raising the stock aforesaid, shall be opened on the first Monday in May next, and remain open till the stock shall be subscribed. At Alexandria, under the superintendence of Lewis McKenzie, Robert H. Miller, John H. Brent, George H. Smoot, Reuben Johnston, Andrew J. Fleming, C. P. Shaw, C. C. Smoot, W. G. Cazenove, John J. Wheat, John B. Daingerfield, George D. Fowle, Isaac Buckingham, John Withers, Benjamin H. Lambert, Wm. N. McVeigh, R. G. Violett, D. B. Smith, Benjamin Barton, John F. Dyer, and James A. English.

2. Any five of the Commissioners shall have full power to act; and their rights, powers, and duties in relation to said bank shall be in all respects (as far as applicable) such as are prescribed by the Code of Virginia. The said Commissioners shall be, and they are hereby, authorized to receive subscriptions payable in money, or payable in the stock of this State, or the bonds of any improvement company or companies guaranteed by the State, the medium of payment to be expressed at the time of making such subscriptions; and the stock or guaranteed bonds to be transferred to the banks, and the money paid over so soon as the President and Directors thereof shall be elected.

3. It shall be lawful for a majority of the persons named as Commissioners at Alexandria, to select any additional places for opening books of subscription to the stock of said bank, and to appoint Commissioners to superintend the same.

4. The said bank at Alexandria shall be called "The Bank of the Old Dominion," and by this name and style the stockholders thereof, and their successors, shall be a body politic and corporate, with all the rights, powers, and privileges conferred upon banks of this State by chapters 57 and 58 of the Code of Virginia, ex-

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cept the seventh section of chapter 58, — and shall, moreover, be subject to all the rules, regulations, and restrictions imposed by the said 57th and 58th chapters, so far as they are not inconsistent with this act; and except, farther, that the stockholders shall elect the Directors.

5. Whenever the said bank shall legally transfer to and deposit with the treasurer of this State, in trust for and for the purposes of said bank, certificates of the public debt of the State, or the bonds of any improvement company or companies guaranteed by the State, bearing six per cent. interest, to the amount of two hundred thousand dollars, — the said "Bank of the Old Dominion" shall be authorized to deliver notes of any denomination it may select, not under five dollars, to the treasurer, in the usual form of bank-notes intended for circulation, to the full amount of the stock or guaranteed bonds so deposited, upon the face of which shall be printed or expressed the words, "Secured by pledge of State securities," — and such bank-notes shall be countersigned by the said treasurer, and numbered and registered in proper books to be provided and kept for that purpose, in the office of said treasurer; and such notes, so countersigned, shall be redelivered to the proper officer of said bank, — and the said bank so receiving the same may thereupon issue its notes aforesaid, to the full amount of the stock so deposited, and none others whatsoever, — and from time to time, upon further deposits of such certificates of debt, or guaranteed bonds, by said bank, in sums of not less than twenty thousand dollars, the said bank shall thereupon, in like manner, issue notes countersigned as aforesaid, to the full amount of the stock so deposited; but such issues shall not, in the aggregate, exceed the capital herein provided.

6. The treasurer shall, at the time of receiving such certificates of stock, or guaranteed bonds, give to the said bank authority to draw the interest thereon, as the same may become due and payable, for the use of said bank; which authority shall continue in force until the said bank shall fail to redeem any of its said issues in specie, — in which case, the party charged with the payment of said interest shall be forthwith notified of such failure, and thereafter such interest shall be payable to said treasurer, to be applied, if necessary, to the payment of such notes.

7. In case the said bank shall, at any time hereafter, on lawful demand, during its usual hours of business at the place where such notes are payable, fail or refuse to redeem any such note or notes, in the lawful money of the United States, the holder of such note or notes, making such demand, may cause the same to be protested, for non-payment, in the usual manner, — and the treasurer, on receiving and filing such protest, shall forthwith give notice, in writing, to the President or Cashier of said bank, to pay the same; and if he or they shall omit to do so, for ten days after such notice, the treasurer shall immediately thereupon (unless he shall be satisfied that there is good and legal defence against the payment of such note or notes) give notice in at least three newspapers published in the State, that all the notes issued by the bank aforesaid will be redeemed out of the trust property in his hands deposited as aforesaid — and it shall be lawful for the treasurer (and he is hereby required) to apply the said trust property to the payment of such notes, with cost of protest and interest, — and to adopt such measures for the payment of all such notes as will, in his opinion, most effectually prevent loss to the holder thereof, — and to this end, he shall have power to sell the same, or so much thereof as shall be necessary, at public auction.

8. The said treasurer may re-transfer the said certificates of debt, or guaranteed bonds, or any part thereof, upon receiving and cancelling an equal amount of the notes issued as aforesaid, unless in his opinion the security of the notes outstanding should require the same to be retained. When the principal of any of the certificates of debt, or guaranteed bonds so deposited, shall be paid to the treasurer, he shall notify the said bank thereof, and may pay the money so received to such bank, upon the delivery to him of an equal amount of the circulation of said bank, which he shall cancel as aforesaid, or may invest the same wholly or in part, as he may deem necessary for the security of such notes, in other such certificates or bonds.

9. Should the treasurer countersign notes of the said bank to a greater amount than the stock or guaranteed bonds so deposited, or wilfully reduce the amount of such securities, in any manner, below the amount of the outstanding notes of said bank, he shall, upon conviction, be judged guilty of felony, and punished by a fine of not less than one thousand nor more than ten thousand dollars, and by imprisonment in the Penitentiary House, for not less than three, nor more than fifteen years; and

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any officer or officers of the said bank, who shall aid or assist the said treasurer in issuing or countersigning a larger amount of notes than the amount of stock or guaranteed bonds so deposited as aforesaid, shall be adjudged guilty of the like offence, and liable to the same conviction and punishment.

10. Each and every stockholder in said bank shall be liable and ratably out of his private estate for the circulation and the express contract debts of said bank to the amount of the stock owned by him, upon a failure of the said bank to redeem its notes, or pay said debts. The total amount of the paper circulation of the bank hereby incorporated shall never exceed five times the amount of coin in possession, and actually the property of the bank. If the coin be reduced to less than one fifth of its paper circulation, the bank shall thenceforth make no new loan or discount, until its coin shall bear to its paper circulation, at least, the proportion of one to five: Provided, however, that this act shall not take effect, so as to authorize the making of loans or discounts, or the transaction of any banking business, until the minimum amount of the capital hereby authorized shall be deposited in State stocks or guaranteed bonds, as aforesaid.

11. It may be lawful for a director for the "Bank of the Old Dominion" to be appointed from each of the Counties of Fairfax, Fauquier, and Culpeper.

12. The charter of the said bank shall continue and be in force for twenty years from and after the passage thereof, unless sooner repealed or modified by some future laws.

Canada.

Commercial Bank of the Midland District, Kingston.

Liabilities.	*Jan.* 2, 1851.
Capital stock,	£403,200 0 0
Bank-notes in circulation,	244,423 12 6
Balances due banks and agents,	11,811 2 7
Dividend, three per cent., due January 2d,	12,096 0 0
Former dividend unpaid,	150 9 7
Contingent fund,	28,000 0 0
Deposits,	168,810 14 11
Total liabilities, *Canada currency*,	£868,491 19 7

Resources.	*Jan.* 2, 1851.
Notes and bills of exchange discounted,	£676,561 15 2
Balances due by banks and foreign agents,	84,721 3 5
Real estate and bank furniture,	23,607 8 5
Notes and checks of other banks,	26,561 13 7
Gold, silver, and other coin on hand,	57,039 19 0
Total resources,	£868,491 19 7

Bank-Note Paper. — E. E. Kendrick, Esq., Cashier of the Bank of Albany, has sent us a sheet of paper similar to that used by that institution in the printing of their notes in 1792. The material used in the manufacturing of the paper is linen or silk. It is water-marked and is heavier and not so fine or smooth a paper as is now generally used by the banks in this State. It was made in Philadelphia, under the direction of Cashier Van Zandt, and the machine in which it was manufactured is now in possession of the bank. The bank sent the last of this supply to the printer a few days ago, for the purpose of making good their issue, and destroying the mutilated bills on hand. — *Albany Argus, March*, 1851.

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MISCELLANEOUS.

STIMPSON'S GOLD PEN. — The orders for this pen are so numerous that the manufacturer cannot as yet supply the demand. Mr. Stimpson, who is one of the three tellers of the Merchants' Bank of Boston, has for several years been engaged in experiments for the improvement of the gold pen. We think he has succeeded far better than any other maker. The pen invented by Mr. Stimpson has three slits, possesses perfect elasticity, and holds as much ink as is desirable for any penman. It is provided with a silver sheath, which protects it fully while not in use. Sold by Oakes and Darling, 16 State Street, Boston. Price $2.50 each.

THE THREE-CENT COIN. — The following is the law of March, 1851, relating to the coinage of the three-cent pieces. This coin is now ready for circulation.

Section XI. And be it further enacted, that from and after the passage of this act it shall be lawful to coin, at the Mint of the United States and its branches, a piece of the denomination and legal value of three cents, or three hundredths of a dollar, to be composed of three fourths silver and one fourth copper, to weigh twelve grains and three eighths of a grain; that the said coin shall bear such devices as shall be conspicuously different from those of the other silver coins, and of the gold dollar, but having the inscription United States of America, and its denomination and date; and that it shall be a legal tender in payment of debts for all sums of thirty cents and under; and that no ingots shall be used for the coinage of the three-cent pieces herein authorized, of which the quality differs more than five thousandths from the legal standard; and that, in adjusting the weight of the said coin, the following deviations from the standard weight shall not be exceeded, — namely, one half of a grain in the single piece, and one pennyweight in a thousand pieces.

THREE-CENT COINS. — The following is a description of the coin, by an officer of the Mint: —





As the first specimens of a newly projected coin are always interesting, I send you one of the three-cent pieces, the dies for which have very recently been prepared at the Mint, and approved by the President of the United States. On the obverse you notice the large ornamented letter C, inclosing the Roman numerals III., — which, without much guessing, will be found out to mean *three cents*, — around which are the old thirteen stars. On the reverse you have in the centre a single large star, expressive of the unity of our confederation, with a shield upon it; and around it the usual legend, United States of America, and the date, 1851. The devices are neat and simple, and perfectly conformed to the law, which provides that they "shall be conspicuously different from those of the other silver coins, and of the gold dollar."

The metal is composed of three fourths silver and one fourth copper, and will always retain a silvery color, though not quite equal in that respect to the other standard. It leaves a margin of profit to government, which the other coins do not; the reason of which may be explained as follows: — The original bill for this coinage, prepared before the postage bill was initiated, contained another provision by which the worn-out Spanish money which circulates largely amongst us, and which is everywhere regarded as a nuisance, should be drawn into the mint and worked up. But, in order to effect that, it was necessary to provide means for buying them at their nominal value, or not much below it; otherwise, the people could not be expected to make the sacrifice, those coins being really worth some ten or twelve per cent. less than their current value, by reason of wear. The reduction of fineness from nine tenths to three fourths in the three-cent piece was therefore intended to enable government to call in the fips, levies, and quarters, as also to pay expenses of transportation, insurance, &c.

The Treasury Department has authorized the mint to withhold the issue until there shall be an accumulation of half a million pieces to start with. They will no doubt be ready by the beginning of May, as the coinage has commenced. They are to be paid out, in order of application, in sums of thirty to one hundred and fifty dollars, — that is, one thousand to five thousand pieces, — and will be exchanged for American gold or silver coins, or foreign silver coins.

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THE MONEY MARKET, *San Francisco, March* 15, remains tight and inactive. Loans are difficult to effect, except on the most unexceptionable security, and the rates are very high, — 6 and 8 per cent. per month.

Gold dust is in much demand, the receipts from the mines having been but limited during the past two weeks. A considerable amount has been used by the United States Assayer, but the fact of the $50 ingots not being received by the banks has checked their issue during the past week.

The scrip market is exceedingly dull, and every description of public stock has receded.

Domestic Exchange.

On New York, sight, . . .	par.	On Philadelphia, sight, . .	par.
On Boston, " . .	"	On New Orleans, " . .	"

Foreign Exchange.

On England, sight, . .	48d. per dol.	On Hamburg, 60 days, . .	44 to 45
" " 60 days,	48½d. to ¾ " "	On Valparaiso, 30 days,	6 per ct. prem.
On France, sight, . .	4f. 9d. " "	On Lima, 30 days,	3 " " "
" " 60 days, . .	5f. " "	On Mexico and Havana, . .	par.
On Hamburg, sight, . .	43 to 45		

Value of Gold and Silver.

Gold dust, . . .	$16¼ to 16½	Ten-Thaler pieces, . .	$8
Quicksilver, . . .	15 to 15½	Spanish dollar, ...	1
Doubloons, . . .	16	Mexican "	1
Sovereigns, . . .	4.85	Peruvian "	1
Twenty-franc pieces, .	4	Chilian "	1
Custom-house, . .	3.85	Five-franc pieces, . .	.95 to 1
Ten-guilder pieces, .	4		

BANK ITEMS.

NEW BANKS IN NEW YORK CITY.

The Bank of the Republic will commence active operations on the 5th of May. Their rooms are in the Merchants' Exchange, corner of Hanover Street and Exchange Place. They have been partially in operation a few weeks, and their Report is included in the Comptroller's Statement for March, 1851. President, G. B. Lamar; Cashier, Henry F. Vail.

The Irving Bank commenced business on the 3d day of April, at No. 279 Greenwich Street, near Chambers Street, with a capital of $250,000. President, Edgar H. Laing; Cashier, John Thomson.

The Bank of North America commenced business on the 16th of April, at No. 27 Wall Street, in temporary rooms. A new building will be erected for the bank in Wall Street, near Broadway. President, John J. Fisk (late Cashier of the American Exchange Bank); Cashier, Isaac Seymour (late President of the Westchester County Bank). Capital subscribed, $1,000,000. Discount days, Wednesday and Saturday.

The Hanover Bank commenced business on the 10th of April, in Pearl Street, Hanover Square, a few doors south of Exchange Place. Capital subscribed, $500,000. President, Isaac Otis; Cashier, Charles M. Livingston.

The People's Bank commenced business on the 1st day of April, at No. 173 Canal Street, near the North River. Capital at present paid in, $412,500. President, John P. Yelverton; Cashier, G. De Angelis.

The Citizens' Bank will commence business on the 20th of May, at No. 64 Bowery, a few doors above Chatham Square. Capital, $500,000. President, Jay Jarvis; Cashier, Sylvester R. Comstock, at present Teller of the Broadway Bank. A new building will be erected for the Citizens' Bank during the present year, at No. 58 Bowery. The Citizens' Bank, the Butchers and Drovers' Bank, and the Bowery Bank, will then be the only banking institutions in that great thoroughfare.

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The Metropolitan Bank. — This bank is now organized, with the original proprietors of the *Bank of the Metropolis*. The latter name was assumed by new parties, and their certificate filed at Albany, thereby excluding the original projectors of the bank under this title. The Metropolitan Bank will now be managed by the officers elected in the first instance, — viz. James McCall, President; John Earl Williams, Cashier; Mr. Meigs, Assistant-Cashier. The Board contemplate establishing a system similar to that of the Suffolk Bank of Boston, — a voluntary and general par redemption of country bank paper at New York. The original opposition, and a very fierce one, to the Suffolk Bank, was finally done away with, under the general conviction, which the country banks soon arrived at, that par redemption at one great commercial centre is favorable to an extended bank circulation of all the interior banks. There is now virtually no demand for specie at the counters of the country banks, and their coin on hand is reduced to five or fifteen per cent., a sum fully sufficient under the present system of mutual protection and mutual benefit.

Organization of the Metropolitan Bank. — The gentlemen who projected a banking association to be styled "The Bank of the Metropolis," with a view to secure the benefits of a redeemable currency to our citizens, have overcome the obstacle thrown in their path by the surreptitious appropriation of their proposed corporate name by other parties, and have selected instead thereof that of "The Metropolitan Bank." The Metropolitan Bank having taken all the steps requisite to perfect its organization with a capital of $250,000, and secured the right to increase its capital to an amount not exceeding five millions, determined at once to receive stock subscriptions to the amount of two millions, and have already obtained so nearly that sum as to justify the expectation that the whole will be got and the books closed in the course of to-day. Almost all the original subscribers to the proposed Bank of the Metropolis have subscribed at least as largely to the Metropolitan Bank. The $250,000 stock on which the bank organized was subscribed by the directors, in the sums set opposite to their respective names, as follows: —

James M'Call,	$50,000	H. Suydam, Jr.,	$10,000	Wilson G. Hunt,	$10,000
Wm. W. Stone,	25,000	B. B. Sherman,	10,000	Lewis O. Wilson,	15,000
John Steward, Jr.,	10,000	Chas. H. Booth,	10,000	A. R. Walsh,	10,000
Henry C. Bowen,	10,000	George Roberts,	10,000	Horace B. Claflin,	20,000
Daniel S. Miller,	10,000	Edward G. Faile,	10,000	Henry L. Pierson,	10,000
Jona. H. Ranson,	15,000	Thomas Smull,	15,000		

— *New York Journal of Commerce.*

The Chatham Bank. — This institution is established in one of the most crowded thoroughfares of New York, viz. Chatham Square, corner of Duane Street. Its capital is $300,000. President, Elias G. Drake; Cashier, Aaron B. Hays, formerly Cashier of the North River Bank in Greenwich Street.

The Pacific Bank, corner of Broadway and Grand Street. Capital paid in, $417,500. President, William Tilden; Cashier, J. Campbell. This institution is intended for the accommodation more especially of merchants in Broadway, above Canal Street.

Peekskill. — Charles A. Depew, Esq.. has been elected President of the Westchester County Bank, in place of Isaac Seymour, Esq., now Cashier of the Bank of North America, Wall Street, New York.

Troy. — Thomas Vail, Esq., has been appointed President of the Merchants and Mechanics' Bank of Troy, in place of George Vail, Esq., resigned.

Albany. — Daniel B. St. John, Esq., of Albany, has been nominated by the Governor, and confirmed, as Superintendent of the new Bank Department of the State of New York, at a salary of $2,500.

Lansingburgh. — Alexander Walsh, Jr., Esq., Teller of the Bank of Lansingburgh, has been elected Cashier of that institution, in place of Pliny M. Corbin, Esq., resigned.

New Jersey. — A new bank, under the general banking law of New Jersey, will probably be established at Jersey City in a few weeks, under the supervision of Messrs. Dudley S. Gregory, John Griffith, and John Cassedy, capitalists of that city. It is also proposed to establish a new bank, under the same law, at Camden.

Free Banks in Virginia. — The following banks on the free banking principle have been chartered by the Legislature of Virginia: —

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The Merchants' Bank at Lynchburg, with a capital of not less than $ 500,000, nor more than $ 900,000.

The Central Bank at Staunton, with a capital of not less than $ 150,000, nor more than $ 300,000.

Bills for incorporating the following banks on the same principle, passed the House of Delegates on Friday: —

The Bank of the Old Dominion at Alexandria, with a capital of not less than $200,000, nor more than $ 500,000.

The Traders and Mechanics' Bank of Norfolk, $ 150,000 to $ 300,000.

The Bank of Commerce at Fredericksburg, $ 150,000 to $ 300,000.

The Manufacturers and Farmers' Bank at Wheeling, $ 150,000 to $ 300,000.

The Manufacturers' Bank at Charleston, Kanawha, $ 150,000 to $ 300,000.

The Farmers' Bank at Fincastle, $ 150,000 to $ 300,000.

A bank at Portsmouth, $ 100,000 to $ 200,000.

The Marion Bank at Fairmount.

The minimum capital of these banks is $ 1,600,000; the maximum, $ 3,300,000. It is supposed that during the present year not more than $ 1,000,000 of the capital will be in operation.

The charter of the Bank of the Old Dominion, published in the present No. of the Bankers' Magazine, is identical with all passed at this session of the Legislature.

Farmers' Bank of Virginia. — John H. Cook, Esq., has been elected Cashier of the Farmers' Bank of Virginia, at Richmond, in place of John G. Blair, Esq., deceased.

Movement of the New Orleans Banks.

	Cash Liabilities.		Cash Assets.	
Specie Paying.	*Circulation.*	*Total.*	*Specie.*	*Total.*
Louisiana Bank,	$ 1,365,739	$ 6,179,634	$ 3,227,494	$ 8,247,125
Canal Bank,	1,642,700	3,731,854	1,691,438	5,172,332
Louisiana State Bank,	1,906,160	5,098,085	1,825,505	5,412,700
Mechanics and Traders' Bank,	375,255	3,750,111	1,899,174	4,747,797
Union Bank,	25,775	53,123	162,416	704,963
Non-Specie Paying.				
Citizens' Bank,	11,031	17,941	35,827	41,850
Consolidated Association,	20,604	21,356	5,071	5,070
	$ 5,877,265	$ 18,852,104	$ 8,846,975	$ 24,331,839

Total Movement and Dead Weight.

	Liabilities.	Assets.
Specie Paying.	*Exclusive of Capital.*	
Louisiana Bank,	$ 6,179,633.58	$ 10,755,608.60
Canal and Banking Company,	3,731,854.19	8,078,999.63
Louisiana State Bank,	5,098,084.92	7,408,834.80
Mechanics and Traders' Bank,	3,750,111.50	5,823,260.93
Union Bank,	53,123.14	4,468,171.41
Non-Specie Paying.		
Citizens' Bank,	6,694,407.74	6,070,956.62
Consolidated Association,	1,638,800.07	1,270,829.50
	$ 27,146,015.14	$ 43,776,681.49

Office Board of Currency,
New Orleans, April 1, 1851.

Charles Gayarre, *Secretary of State.*
George C. McWhorter, *State Treasurer.*

Cayuga County. — We understand that the arrangements are making for a new bank, to be located at Aurora, Cayuga County. Among the parties interested are Messrs. Benjamin Gould, Morgan, Henry Wells, and others. The directors named are such as will insure a good and reliable business.

A new bank, with a capital of $ 100,000, has been started at Elmira, Chemung County, J. R. Worthington, of that village, President, and Tracy Beadle, Cashier. The bills are signed by those gentlemen, and are beautifully executed.

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seem specious to some, when acted upon results in part as the wise reasoners calculate; the receipts do indeed appear large, but it brings about a result which they in their wisdom quite overlook. The capital is locked up in a dead loan, aud the bank is impeded in its operations.

The manager of a new bank should be careful that, in affording facilities for business, the design for which his charter was given is carried out. If his charter was given with special reference to the wants of manufacturers, then the manufacturers should be remembered; if it was granted with reference to the wants of merchants, then the merchants should not be forgotten. The interests of the community in which the bank is located and for which the bank was chartered should never be sacrificed to a foreign business, even though it pays a little better. To increase the circulation, and to facilitate the making of exchanges, all banks must do some foreign paper, and they can often consistently, profitably, and properly take a large amount of it; but when the wants of home customers demand that the capital be used nearer home, their wants should be regarded and taken into consideration before foreign offers. Errors in this particular, besides being wrong in themselves, tend to prejudice the public mind against banks, and this prejudice, finding its way into our legislatures, results in their refusal of many bank charters which would otherwise be granted.

The labor which is required in starting a bank is often very severe. New institutions are generally short-handed, and the heavy work of opening the books and getting affairs in good working order devolves upon a few. It is a great item to sign the bills, and a cashier has often as much as he can do in this most tedious of all occupations without attending to any thing else. The bills must be signed and the affairs of the bank must be attended to, and the cashier is often obliged to work early and late, day and night, to do all that is required of him. It requires a great deal of skill to arrange the details and open the books of a new bank. The books should be opened systematically, and the entries made with care. The forms for instalment receipts, stock certificates, transfers, &c., should be drawn up in the most concise manner. Forms for these can be obtained from other banks, but some judgment must be used in deciding which are the best. A banker should know what forms of entries should be used, and how they should be made, and he should direct them to be so made that when he has occasion to refer to them he can tell the nature of the transactions. For instance, in opening the "stock leger," and in posting the instalments, it is of the greatest importance for reference that the number of the instalment should be specified. If it is the first, it should be so stated on the leger; or if it is the first and one half of the second, let that be noted, &c. When stock is transferred before it is all paid in, the transfer should state the number of instalments which have been paid on this particular stock, and the per cent. of each (if they are not equal), and this statement should be posted in full to the new account. This is of the greatest service, for if the book-keeper is called to give the particulars of transfer, he can do it at once; where there are many transfers on one account it saves confusion, and it is also of service in casting interest on advance instalments, if such interest be allowed.

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The "General Leger" of a bank should be opened systematically. Accounts should not be thrown in promiscuously. An arrangement something like this is a good one. First, "Capital Stock"; enough space should be allowed under this head for all the instalments, say twenty pages. Next might be placed the different accounts of earnings, "Discount," "Interest," and "Exchange" accounts. The different bank accounts might be placed next, and after them the deposit accounts, placing the largest first. Such a system aids the book-keeper or the banker in referring to the accounts, and the leger also looks much better for it. In opening the "discount books," the "bill books," "ticklers," &c., the best manner of keeping them should be studied and introduced. It is easier to start right than it is to alter after you have once started. In arranging the details of a bank, the maxim that "system is every thing" should rule. It is a good plan for the cashier of a new bank to go to different institutions and inspect their manner of keeping books, and then he can adopt, with such modifications and improvements as may be suggested to him, the method which he thinks is best.

The management of a bank and the conducting of it depend, or should depend, mainly upon the cashier. He is usually recognized as the responsible officer. When he is called to take charge of a new institution, he should enter upon the duties of his office determined to be guided by right principles; he should understand his position and maintain it; he should throw all his energies into the work, and give his whole mind to his duty. Banking and *his* bank should be his study. In no other way will he be a successful banker or his bank a successful institution.

G. P. B.

A PRACTICAL TREATISE ON BANKING.

By J. W. GILBART, Esq.,

General Manager of the London and Westminster Bank.

Section XIV. Banking Documents.

No. 18. The Relative Value of Gold in London, and in the Cities of Paris, Hamburg, and Amsterdam.

No. 19. A Table of English Money reduced into Prussian, Frankfort, Dutch, and French Coin.

No. 20. Form of Bond of the London Guarantee Society.

No. 21. The Provident Clerks' Benevolent Fund,—Rules and Regulations.

No. 22. Tables of Government Annuities and of the Expectation of Life.

PART SECOND.—Of Banking Institutions.

Section I. The Bank of England. II. The London Private Bankers and the Clearing-House.

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XVIII. — *A Table, showing the Relative Value of Gold in London (at the Mint Price of £3 17s. 10½d. per Ounce Standard), and in the Cities of*

PARIS.

Premium, Per mille.	Frs.	Cts.	Cents. In the £.	Per cent.
0	25	14¼	¼	·01
½	"	15¾	½	·02
1	"	17	¾	·03
1½	"	18¼	1	·04
2	"	19½	2	·08
2½	"	20¾	3	·12
3	"	22	4	·16
3½	"	23¼	5	·20
4	"	24½	6	·24
4½	"	25¾	7	·28
5	"	27	8	·32
5½	"	28¼	9	·36
6	"	29½	10	·40
6½	"	30¾	11	·44
7	"	32¼	12	·48
7½	"	33½	13	·52
8	"	34¾	14	·56
8½	"	36	15	·60
9	"	37¼	16	·64
9½	"	38½	17	·68
10	"	39¾	18	·72
10½	"	41	19	·76
11	"	42¼	20	·80
11½	"	43½	21	·84
12	"	44¾	22	·88
12½	"	46	23	·92
13	"	47¼	24	·96
13½	"	48½	25	1·
14	"	49¾	26	1·04
14½	"	51	27	1·08
15	"	52¼	28	1·12
15½	"	53½	29	1·16
16	"	54¾	30	1·20
16½	"	56	31	1·24
17	"	57¼	32	1·28
17½	"	58½	33	1·32
18	"	59¾	34	1·36
18½	"	61	35	1·40
19	"	62¼	36	1·44
19½	"	63½	37	1·48
20	"	64¾	38	1·52
20½	"	66	39	1·56
21	"	67¼	40	1·60
21½	"	68½		
22	"	69¾		
22½	"	71		
23	"	72¼		
23½	"	73½		
24	"	74¾		
24½	"	76		
25	"	77½		

HAMBURGH.

Price per mare fine. Marcs.	Mcs.	Sch.	Sch. In the £.	Per cent.
430	13	7½	¼	·06
"	"	"	½	·11
"	"	"	¾	·17
"	"	1	1	·23
431	13	8	½	·29
"	"	"	¾	·34
"	"	"	1	·40
"	"	1	2	·46
432	"	"	2	·92
"	"	"	3	1·38
"	"	"	4	1·84
"	"	"	5	2·30
433	13	9	6	2·76
"	"	"		
"	"	"		
"	"	"		
434	"	"		
"	"	"		
"	"	"		
"	"	10		
435	13	10		
"	"	"		
"	"	"		
"	"	"		
436	"	"		
"	"	"		
"	"	"		
"	"	11		
437	13	11		
"	"	"		
"	"	"		
"	"	"		
438	"	"		
"	"	"		
"	"	"		
"	"	12		
439	13	12		
"	"	"		
"	"	"		
"	"	"		
440	"	"		

AMSTERDAM.

Premium, Per cent.	Flor.	Cts.	Cents.	Per cent.
13	11	93½	¼	·02
"	"	94¼	½	·04
"	"	96	¾	·06
"	"	97½	1	·08
"	"	98¾	2	·17
"	12		3	·25
"	"	01½	4	·33
"	"	02¾	5	·42
14	"	04	6	·50
"	"	05¼	7	·58
"	"	06½	8	·67
"	"	08	9	·75
"	"	09¼	10	·83
"	"	10½	11	·92
"	"	12	12	1·
"	"	13¼	13	1·08
15	"	14½	14	1·17
"	"	16	15	1·25
"	"	17½	16	1·33
"	"	18½	17	1·42
"	"	20	18	1·50
"	"	21½	19	1·58
"	"	22½	20	1·67
"	"	23¾	21	1·75
16	"	25¼	22	1·83
			23	1·92
			24	2·
			25	2·08
			26	2·17
			27	2·25
			28	2·33
			29	2·42
			30	2·50

METHOD OF USE.—(For example, take Paris.)—Ascertain the premium on gold at Paris—say 9 per mille; in the left-hand column, against 9, will be found the rate of exchange per pound sterling produced francs 25·37½. From that rate, deduct the exchange on London at short—say francs 25·27½, leaving a remainder of 9¾ centimes per pound sterling. In the second column, it will be found that 9¾ centimes in the pound sterling are equal to ·39 per cent.; consequently, gold is ·39 per cent. dearer in Paris than in London.

NOTE.—If the rate of exchange produced by gold in Paris be lower than the exchange at short on London, gold will be dearer in London than in Paris.

PRUSSIAN COIN.—Thaler, Silbergrossch, and Pfenning. 1 thaler = 30 silbgr.; 1 silb. = 12 pfennings.

FRANKFORT.—Gulders, Kreutzers, and Hellers. 1 gulder = 60 kreutz.; 1 kreutz. = 4 hell.

DUTCH.—Guilders and Cents. 1 guild. = 100 cents.

BELGIUM AND FRANCE.—Francs and Centimes. 1 franc = 100 centimes.

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XIX. — *A Table of English Money* reduced into*

			PRUSSIAN COIN. At 6 th. 20 sg.			FRANKFORT COIN. 11 gul. 54 kr.			DUTCH COIN. 12 guild.		FRENCH COIN. 25 fr. 10 cts.	
£	*s.*	*d.*	*Tha.*	*Sg.*	*Pf.*	*Gul.*	*Kr.*	*Ha.*	*Gld.*	*Cts.*	*Fr.*	*Cts.*
...	...	1	...	...	10	...	3	...	...	05	...	10
...	...	2	...	1	8	...	6	...	...	10	...	20
...	...	3	...	2	6	...	9	...	...	15	...	31
...	...	6	...	5	...	...	17	...	...	30	...	62
...	1	...	...	10	...	...	35	...	...	60	1	25
...	2	...	...	20	...	1	11	...	1	20	2	51
...	3	...	1	...	...	1	47	...	1	80	3	76
...	4	...	1	10	...	2	22	...	2	40	5	02
...	5	...	1	20	...	2	58	...	3	...	6	27
...	10	...	3	10	...	5	57	...	6	...	12	55
...	15	...	5	...	...	8	55	...	9	...	18	82
1	...	...	6	20	...	11	54	...	12	...	25	10
2	...	...	13	10	...	23	48	...	24	...	50	20
3	...	...	20	...	...	35	42	...	36	...	75	30
4	...	...	26	20	...	47	36	...	48	...	100	40
5	...	...	33	10	...	59	30	...	60	...	125	50
6	...	...	40	...	...	71	24	...	72	...	150	60
7	...	...	46	20	...	83	18	...	84	...	175	70
8	...	...	53	10	...	95	12	...	96	...	200	80
9	...	...	60	...	...	107	06	...	108	...	225	90
10	...	...	66	20	...	119	...	...	120	...	251	...
20	...	...	133	10	...	238	...	...	240	...	502	...
30	...	...	200	...	...	357	...	...	360	...	753	...
40	...	...	266	20	...	476	...	...	480	...	1004	...
50	...	...	333	10	...	595	...	...	600	...	1255	...
60	...	...	400	...	...	714	...	...	720	...	1506	...
70	...	...	466	20	...	833	...	...	840	...	1757	...
80	...	...	533	10	...	952	...	...	960	...	2008	...

Value at which the following Coins are generally current.

	PRUSSIA.		FRANKFORT.		HOLLAND.		BELGIUM AND FRANCE.	
	Th.	*Sg.*	*Gul.*	*Kr.*	*Guil.*	*Cent.*	*Fr.*	*Cent.*
Sovereign,	6	20	11	50	12	...	25	...
English Shilling,	...	10	...	35	...	58	1	20
Dutch 10-guilder piece,	5	20	9	54	10	...	21	16
Ducat,	3	4	5	30	5	60	11	60
Guilder,	...	17	...	58	1	...	2	11
Fred. d'Or,	5	20	9	44	9	80	21	...
Prussian Thaler,	1	...	1	45	1	70	3	70
French Crown Thaler,	1	16	2	44	...	...	...	...
Braband do.	1	16	2	42	2	65	...	...
Convention do.	1	10	2	24	...	...	...	...
Piece of 20 Kreutzers,	...	6	...	24	...	...	...	...
20-franc Piece,	5	12	9	30	9	54	20	...
5-franc do.,	1	10	2	20	2	35	5	...
1-franc do.,	...	8	...	28	...	48	1	...

The above table has been circulated by the General Steam Navigation Company. On this subject I would refer to Mr. Waterston's "*Manual of Commerce: being a Compendium of Mercantile Tables, British and*

* For an account of the Silver and Gold Coins of different Countries, and their Sterling Value, see the New London Mercantile Directory, for 1849.

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Foreign Moneys, Weights, and Measures, and the Theory and Practice of Exchange." (Simpkin, Marshall & Co., publishers.) We think also this is a proper place to introduce the following account of the origin of English Coins: —

"POUND. — Though a pound is one of the most common denominations for money, it never was a real coin, either in gold or silver, in any age or country. Such large and ponderous coins would have been in many respects inconvenient. But for many ages, both in Britain and in other countries, that number of small coins which was denominated a pound in computation, or a pound in sale, really contained a pound of silver, and they might have been and frequently were weighed, as well as numbered, to ascertain their value. If the number of coins that were denominated a pound in sale, did not actually make a pound in weight, an additional number of coins were thrown in to make up the weight.

"MONEY was coined in the Temple of Juno *Moneta*, whence our English word *money*.

"COIN. — Coin (*cuna, pecunia*) seems to come from the French *coign*, that is, angulus, 'a corner'; whence it has been held that the ancientest sort of coin was square with corners, and not round as it now is.

"CASH. — *Cash* in a commercial style signifying the ready money which a merchant or other person has at his present disposal, and is so called from the French term *caisse*, that is, 'chest or coffer,' for the keeping of money.

"GUINEA. — This coin took its denomination *Guinea*, because the gold whereof the first was struck was brought from that part of Africa so called; for which reason it likewise formerly bore the impression of an elephant.

"The value or rate of the guinea has varied. It was first struck on the footing of 20*s*.; but, by the scarcity of gold, was afterwards advanced to 21*s*. 6*d*., and again sunk to 21*s*.

"ANGEL. — The *angel*, called in the French *angelot*, was a gold coin, value 10*s*., struck in England, where some few are still to be seen in the cabinets of the curious. It had its name from the figure of an angel represented on it; which figure was adopted, according to Rapin and others, to commemorate a pun of Pope Gregory the Great, which seems to have greatly flattered the vanity of the nation. Struck with the fair complexions and blooming countenances of some Anglo-Saxon captives who had been brought to Rome, he inquired of what nation they were, and what they were called, and being answered *Angles*, 'Justly be they so called,' quoth he, 'for they have *angel*-like faces, and seem meet to be made co-heirs with the angels in heaven.'

"SHILLING. — The etymology of the word *scylling* would lead us to suppose it to have been a certain quantity of uncoined silver; for whether we derive it from *pcylan*, 'to divide,' or *pceale*, 'a scale,' the idea presented to us by either word is the same; that is, so much silver cut off, as in China, and weighing so much.

"There were none coined till 1504. Fabian mentions them under their proper names, 34 Henry the Eighth.

"A TESTER. — *Tester* is derived from the French word *tête*, 'a head'; a piece of money stamped with a head, which in old French was called '*un testion*,' and which was about the value of an old English sixpence. 'Tester' is used by Shakspeare.

"*Tester*, sixpence, from *teston*, French, an old silver coin, formerly worth 12*d*., sinking by degrees to gilt brass, and sixpence.

"GROAT. — Other nations, as the Dutch, Polanders, Saxons, Bohemians, French, &c., have likewise the *groats, groots, groches, gros*, &c. In the Saxon times no silver

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coin bigger than a penny was struck in England, nor after the Conquest until Edward the Third, who, about the year 1351, coined *grosses*, that is, *groats*, or *great pieces*, which went for 4*d.*; and so the matter stood till the reign of Henry the Eighth, who, in 1504, first coined shillings.

"PENNY, HALFPENNY, FARTHING. — Camden derives the word '*penny*' from the Latin *pecunia*, 'money.'

"The ancient English *penny*, *penig*, or *pening*, was the first silver coin struck in England; nay, and the only one current among our Saxon ancestors; as is agreed by Camden, Spelman, Dr. Hicks, &c.

"The penny was equal in weight to our three-pence; five of them made one shilling, or scilling, Saxon; thirty, a mark, or mancuse, equal to our 7*s.* 6*d.*

"Until the time of King Edward the First, the penny was struck with a cross so deeply indented in it, that it might be easily broke, and parted, on occasion, into two parts, thence called *half-pennies;* or into four, thence called *fourthings*, or *farthings*. But that prince coined it without indenture; in lieu of which, he first struck round halfpence and farthings.

"He also reduced the weight of a penny to a standard; ordering that it should weigh thirty-two grains of wheat, taken out of the middle of the ear. This penny was called the *penny sterling*. Twenty of these pence were to weigh an ounce; whence the penny became a weight, as well as a coin.

"The penny sterling is now used less as a coin, and subsists chiefly as a money of account, containing the 12th part of a shilling, or the 240th part of a pound." (From *Notes of a Bookworm.*)

XX. — *Form of Bond of the Guarantee Society.*

Public Companies' Form. AGREEMENT, }
£ _____. *No.* _____. }

GUARANTEE SOCIETY.

ARTICLES OF AGREEMENT *made and entered into the* _____ *day of* _____, *in the year of our Lord one thousand eight hundred and* _____, *between the three directors of the Guarantee Society, whose names are hereunto subscribed, on the part and behalf of the said Society of the first part, and* _____ *of the second part.*

Preamble. Whereas the said parties hereto of the second part have applied to the said Guarantee Society for a guarantee to the extent of _____ pounds, against any loss to be sustained by the said _____ _____, by or through any fraud or dishonesty of _____, of _____, while employed by the said _____ in the capacity of _____. And the said society have agreed to enter into such Guarantee accordingly, on the terms and subject to the provisions and conditions herein contained and hereunder written.

Consideration. Now these presents witness, that in consideration of the premises, and of the sum of _____ paid on behalf of the said _____, as a premium for such guarantee from the _____ day _____ until the _____ day of _____, one thousand eight hundred and forty-_____,

Guarantee. both inclusive, being one year and part of another year: It is hereby agreed and declared, that from the said _____ day of _____ to the last day of _____, and thence for one year, namely, to the last day of

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_____, one thousand eight hundred and forty-____, inclusive, and for every successive term of twelve calendar months for and in respect of which the premium of _____ shall be paid to the said society, and the said society shall agree to accept the same (such payment to be made on the last day of _____ in each year, or within fifteen days thereafter, at the office of the Guarantee Society) during the service of the said _____ in the capacity aforesaid, the funds and property of the said society shall, on the terms and subject to the provisions and conditions herein contained and hereunder written, which are to be taken as part of this agreement, and subject also to the provisions of the deed of settlement of the said society, be liable to pay and satisfy unto the said _____, at the expiration of three calendar months after satisfactory proofs and full particulars of the loss, and of the nature and extent thereof (verified, if the said society shall so require, by declaration under the statute of 5 and 6 Wm. IV. c. 62) shall have been received at the office of the said society. All such loss, not exceeding _____ pounds, (provided such loss shall have happened within eighteen calendar months next preceding the receipt of such proofs and particulars,) as the said _____ may sustain from any fraud or dishonesty of the said _____, to be committed after the said _____ day of _____, and during his uninterrupted continuance in the said service in the capacity aforesaid. Provided always that the said _____ shall within ten days after the discovery of any matter in respect of which any claim may be intended to be made, give notice, in writing, at the office of the Guarantee Society, of such intended claim, and, as far as the case will admit, of all the particulars thereof; and from and after such discovery, the guarantee herein contained shall, as to loss by any act of fraud or dishonesty subsequent to such discovery, be at an end: Provided, also, and it is hereby agreed, that the funds and property of the said society for the time being remaining undisposed of, and inapplicable to prior claims and demands, according to the provisions of the said deed of settlement, shall alone be subject to any claim in respect hereof, and that neither any director executing these presents, nor any proprietor or holder of shares in the capital of the said society, shall be individually liable in respect of any such claim, or under this agreement, beyond so much of the amount of the shares then held by him or her in the said capital, and not subject to prior claims and demands, as shall not for the time being have been paid up. Provided, also, and it is hereby agreed and declared, that the said _____ shall, in case of making any such claim in writing as aforesaid, forthwith, upon being required by the said society, when lawful, arrest the said _____ for any offence or offences that he may have committed, in respect of which such claim shall have arisen, and personally appear upon any examination or examinations of the said _____, and at his trial; and in that case the said society shall be at liberty, at their own costs and charges, to carry on any prosecution or prosecutions for such offence or offences, and to commence and carry on, in such name or names as they may be advised, and for their own benefit, any actions, suits, or other proceedings against the said _____, for the recovery of any moneys or chattels lost by his fraud or dishonesty, or for damages in respect thereof, _____ being hereby indemnified against all costs, charges, damages, and expenses in respect of such prosecutions or other proceedings. And it is further agreed and declared, that when any such loss shall have been satisfied by or on behalf of the said society, an indorsement in satisfaction of all claims shall be made hereon, and signed

Notice of fraud to be given within ten days.

Security now given to be the funds and property of the society, after discharge of prior claims.

Society to have power to prosecute.

Any payment on account of fraud or dishonesty to be indorsed here-

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on, and these presents given up to the society.

by the person or persons to whom the amount of such loss shall be paid or satisfied, and thereupon these presents shall be given up to and for the benefit of the said society, to be of no further force or effect against them. In witness whereof, the said parties hereto have hereunto subscribed their names the day and year first above written.

Witness to the signatures of the three Directors. _____ { _____ _____ _____

Witness to the signatures of above-named _____ { _____ _____ _____

CONDITIONS OF INSURANCE.

In the event of any loss for which the society shall be liable, such loss shall be borne by the society, ratably only, and in common with any other person or persons who have already, or shall hereafter during the continuance of this guarantee, become security for the said _____ in the service or employment above mentioned, according to the amount for which each shall be guarantee.

The above agreement is subject to the condition that the answers which have been given and signed by the said _____ and by the said _____ to the questions lettered from *A* to *I*, both inclusive, submitted by the society, and contained in a paper called "Form of Proposal for Guarantee," and dated _____ are in all respects true and correct, otherwise the said agreement to be void.

That no premium shall be returned under any circumstances after the signing of the above agreement.

Examined and registered _____

XXI. — *Provident Clerks' Benevolent Fund.*

RULES AND REGULATIONS.

1. *Title.* — That this branch of the association be called "The Provident Clerks' Benevolent Fund," in connection with "The Provident Clerks' Mutual Benefit Association."

2. *Object.* — That the object of this branch of the association is to provide funds, by donations, subscriptions, bequests, or otherwise, for the purpose of granting temporary or permanent relief to distressed clerks, who are or have been members, their widows and families.

3. *Members.* — That the following persons shall be members of this branch of the association, and be entitled to vote at all general meetings of this branch of the association, viz.: —

First, — Members of the Benefit Department who were admitted as clerks on joining the association.

Second, — Clerks employed in any public or private establishment within Great Britain, who subscribe to this fund not less than one guinea annually, or have given a donation of not less than ten guineas.

4. *Honorary Members or Subscribers.* — That persons (not being clerks) may become honorary members, by a donation of not less than ten guineas, or an annual subscrip-

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tion of not less than one guinea, and be entitled to vote at elections for annuitants in proportion to the amount of their donations or subscriptions, according to Rule No. 21.

5. *Management.* — That this branch of the association shall be conducted by the same board of management as the benefit department.

6. *Treasurer.* — That John Abel Smith, Esq., M. P., is the treasurer, and, by virtue of his office, is also a member of the board of management. In the event of death or resignation, the office of treasurer to be filled up by the board.

7. *Trustees.* — That there shall not be less than four trustees, and the funds of this association shall be invested in the names of two or more of the trustees for the time being. The present trustees are, —

Thomas Baring, Esq.
Thomson Hankey, jun., Esq.
William George Prescott, Esq.
Baron Lionel de Rothschild, M. P.

And in case of death or resignation, vacancies to be filled up by the board, subject to the approval of the surviving trustees; the said trustees, by virtue of their office, to be members of the board of management.

8. *Auditors.* — That the following gentlemen be the auditors of this branch of the association, viz.: —

John Beadnell, Esq.
James William Gilbart, Esq., F. R. S.
Sir John Piric, Bart., Ald.
George Pollard, Esq.
William Smee, Esq.

any two being competent to act, who shall audit the annual accounts, to be laid before the members at the annual general meeting. Vacancies to be filled up by the board.

9. *Officers.* — That the board may appoint such officers to this branch of the association as may be deemed necessary, with power to remove them and to appoint others, and to fix the amount of their respective salaries or remuneration: the officers to give such security as the board shall require.

10. *Expenses.* — That all expenses shall be equitably divided between the benefit department of this branch of the association; and the proportion to be borne by each shall be settled by the board, previously to making up the annual account.

11. *Special Meeting of the Board of Management.* — That a special meeting of the board may be convened on any emergency by a requisition to the chairman, signed by five members thereof; the requisition to state the object of such special meeting; and the chairman shall call such meeting within one week of receiving the requisition.

12. *Annual General Meeting.* — That an annual general meeting of the members of this branch of the association be held in February in each year, on such day as the board may appoint, when the annual report of the state of the funds, together with the account of the receipts and expenditure of the past year, shall be laid before the meeting. In case of any questions being submitted to the decision of such meeting, the same to be decided by a majority of votes.

13. *Special Meeting of Members.* — That a special meeting of members may be convened by a requisition to the chairman, signed by thirty members at the least; the requisition to state the object of such special meeting; and the chairman shall call such meeting within one month of receiving the requisition.

14. *Permanent Fund.* — That the sum of £10,000 3 per cent stock, now invested, or

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its equivalent, shall constitute the permanent fund of this branch of the association, and shall on no account be reduced below that amount.

That the board may apply the interest of the invested fund, together with such proportion of the annual subscriptions as they may deem fit (after payment of the expenses), to the objects of the association.

That the further increase of the permanent fund shall be at the discretion of the board, except that the amount of all bequests, together with the proportion of the profits to be received from the benefit department every five years, shall be always added to the invested capital.

15. *Casualty Fund.* — That the board be empowered to apportion such part of the available income of this branch of the association as may be deemed expedient, as a casualty fund, from which to grant temporary relief as hereafter mentioned.

16. *Relief.* — That no member, his widow or family, be eligible for permanent relief until he has belonged to the association for three years, unless by the sanction of the annual general meeting.

17. *Temporary Relief.* — That temporary relief may be granted from the casualty fund to distressed clerks, who are or have been members, their widows, or families, — regard being had in all cases to the number in family, and the length of time the party may have been a member of the association, — as follows : —

First, — By loans, on the security of two responsible persons, or other sufficient security, of sums not exceeding £10 at one time, *without interest*, or of sums above £10 and not exceeding £25 with interest, to be repaid by quarterly instalments, within two years.

Secondly, — By gratuities of sums, not exceeding £10 at one time, in cases of long and expensive illness, or other serious calamity, together with medical assistance, at the discretion of the board.

Thirdly, — By weekly allowances of sums not exceeding at the rate of 20 guineas per annum, nor for a longer period at any one time than six months.

Fourthly, — By weekly allowances to orphan children of deceased members, under fourteen years of age (both parents being dead), the amount to be fixed by the board according to the emergency of the case, but in no instance to exceed 20 guineas to one family ; and such allowance, or a proportion of it, to cease as the children respectively attain the age of fourteen years.

That should any member of the benefit department, who was a clerk at the time of his entrance, and has regularly paid his premium for five years at the least, be unable, from distress or otherwise, to continue his payments, the board may have the power, in their discretion, to continue the payment of his premiums from the casualty fund, by way of loan to such members, upon such security as the board may deem fit ; the policy being deposited with the association, and any bonus declared upon such policy being first applied to the repayment of the loan.

18. *Permanent Relief.* — That permanent relief be granted by way of annuity, to distressed clerks, who are or have been members of this branch of the association, and who from old age, blindness, or other infirmities, are rendered incapable of obtaining their living.

That the annuitants shall be elected by ballot, as appointed by the subsequent rules, and the annuities be on the following scale, viz. : —

If been a member	3 to 10 years, . . .	£25	per annum.
" "	10 to 20 years, . . .	30	"
" "	20 years and upwards, . .	35	"

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That annuities be granted to widows of members who are incapable of obtaining their living, on the following scale, viz.:—

If husband been a member	3 to 10 years, . . .	£15	per annum.
" "	10 to 20 years, . . .	20	"
" "	20 years and upwards, . .	25	"

but such annuities to cease, should such widow marry again.

That all annuities be paid quarterly.

That the board have power to increase or decrease, proportionately, the above scales of annuities, according to the amount of funds at their disposal, and such increase or diminution to apply equally to all annuities already granted.

That should it come to the knowledge of the board that any annuitant has been elected by fraud, or has assigned his or her annuity, or, finally, that his or her means of living has improved, so as not to require the aid of the association, the board shall have the power to suspend the payment of such annuity, or to reduce the same as they may consider fit.

19. *Applications for Relief.*— That applications for either temporary or permanent relief, be made according to such forms as the board may require; and every applicant must be recommended by two respectable parties, who are acquainted with the case; that applicants for annuities must send in their testimonials and other documents at least two months previous to the election; and any wilful misrepresentation will invalidate the election of such annuitant.

That the board shall take into its consideration the cases of the various applicants, and, where practicable, make personal inquiries into the truth of their statements, and select such as, in their judgment, are eligible to be balloted for, as well as those deserving of casual relief.

20. *Elections.*— That the election of annuitants shall take place once a year, or oftener, at the discretion of the board, and at such times as they may appoint.

That notice shall be given by public advertisement or otherwise, of the number of annuitants to be elected; and balloting papers be issued for that purpose, with a list of the candidates.

21. *Voting.*— That all members, defined by the first section of the third rule, whose premiums are duly paid, shall be entitled to one vote for each annuitant to be elected; and that all members or subscribers who have given a donation of ten guineas, or a subscription of one guinea, to this branch (payable annually or half-yearly), be entitled to one vote for each annuitant to be elected, and an additional vote for every additional donation of ten guineas, or annual subscription of one guinea. That all subscriptions in arrears must be paid up before the party be entitled to vote.

That clerks, being members of the Benefit Department, as well as subscribers or donors to the Benevolent Fund, be entitled to vote in respect of both qualifications.

That members and subscribers may give all their votes to any one candidate, or divide them as they please, according to the number to be elected; they may vote by proxy, the polling paper being first signed by them.

That in the event of an equality of votes for any two candidates, the chairman to give the casting vote; and should any dispute arise as to the election of any candidate, a scrutiny may be demanded on behalf of such candidate, provided a requisition, signed by six members or subscribers at the least, be addressed to the chairman, demanding such scrutiny, and agreeing to pay the expenses of the same.

22. *Alteration of Rules.*— That none of the foregoing rules be altered, amended, or repealed, unless at a special meeting of the board of management, convened for that purpose, who, being so assembled, shall have power to alter, amend, or repeal any of

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the rules, and substitute new ones in lieu thereof; but such alterations, amendment, or repeal of rules, or substitution of new ones, shall not take effect unless they have received the sanction of the annual general meeting, or of a special general meeting, convened for the purpose.

23. *Situation Book.* — That a book shall be kept, to be called "The Situation Book," in which the members who are out of employment may enter their names, particulars of their former employment, and the nature of that which they are now seeking. This book to be open for the gratuitous inspection of merchants, bankers, and others requiring clerks.

24. *Form of Bequest.* — "I give and bequeathe unto the treasurer, for the time being, of the 'Provident Clerks' Mutual Benefit Association,' in trust for the purposes of the Benevolent Fund of that Association, the sum of £ ———, to be paid within ——— months next after my decease, out of such part of my personal estate as may lawfully be bequeathed and appropriated to charitable purposes.

XXII. — *St. Clement Danes Savings' Bank Government Annuity Institution.*

Office, 18, *Serle's Place, two doors from Carey Street, Lincoln's Inn, London.*

The following is the Government Table, and shows the sum required to be paid for an Immediate Annuity of Twenty Pounds, and in proportion for any sum not less than 4*l.* nor exceeding 30*l.* per annum: —

AGE.	£	s.	d.	AGE.	£	s.	d.
If 15 and under 16	377	15	6	If 48 and under 49	271	0	4
16 " 17	374	4	1	49 " 50	265	1	4
17 " 18	370	16	7	50 " 51	259	0	4
18 " 19	367	14	6	51 " 52	252	18	11
19 " 20	364	19	11	52 " 53	247	1	8
20 " 21	362	12	2	53 " 54	241	5	11
21 " 22	360	10	5	54 " 55	235	12	7
22 " 23	359	0	4	55 " 56	230	1	5
23 " 24	357	12	6	56 " 57	224	11	8
24 " 25	356	4	7	57 " 58	219	3	8
25 " 26	354	15	3	58 " 59	213	15	9
26 " 27	353	3	0	59 " 60	208	6	2
27 " 28	351	1	8	60 " 61	202	14	4
28 " 29	348	17	1	61 " 62	196	17	5
29 " 30	346	9	5	62 " 63	190	14	11
30 " 31	343	18	10	63 " 64	184	8	0
31 " 32	341	5	5	64 " 65	178	1	0
32 " 33	338	9	5	65 " 66	171	14	2
33 " 34	335	9	11	66 " 67	165	7	5
34 " 35	332	6	9	67 " 68	159	9	1
35 " 36	328	19	11	68 " 69	153	12	0
36 " 37	325	9	11	69 " 70	147	16	2
37 " 38	321	17	7	70 " 71	142	2	6
38 " 39	318	2	11	71 " 72	136	11	9
39 " 40	314	6	7	72 " 73	131	3	7
40 " 41	310	7	9	73 " 74	125	14	8
41 " 42	306	5	10	74 " 75	120	1	5
42 " 43	301	18	6	75 " 76	114	4	7
43 " 44	297	7	10	76 " 77	108	4	3
44 " 45	292	12	6	77 " 78	101	7	5
45 " 46	287	12	6	78 " 79	94	11	10
46 " 47	282	7	10	79 " 80	88	1	10
47 " 48	276	16	0	80 or any greater age	81	14	10

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XXIII. — *Comparative View of the Expectation of Life according to the different Tables of Mortality.*

Age.	North-ampton.	Carlisle.	Goverment Annuitants. Male.	Female.	Age.	North-ampton.	Carlisle.	Government Annuitants. Male.	Female.
0	25.18	38.72	50.16	55.51	40	23.08	27.61	27.02	31.12
1	32.74	44.68	50.13	55.59	41	22.56	26.97	26.39	30.46
5	40.84	51.25	48.93	54.23	42	22.04	26.34	25.74	29.81
10	39.78	48.82	45.57	51.05	43	21.54	25.71	25.08	29.14
15	36.51	45.00	41.76	47.19	44	21.03	25.09	24.42	28.48
20	33.43	41.46	38.39	43.99	45	20.52	24.46	23.75	27.81
25	30.85	37.86	35.90	40.81	50	17.99	21.11	20.30	24.35
30	28.27	34.34	33.17	37.57	55	15.58	17.58	17.15	20.79
31	27.76	33.68	32.59	36.91	60	13.21	14.34	14.39	17.32
32	27.24	33.03	32.00	36.26	65	10.88	11.79	11.63	14.00
33	26.72	32.36	31.40	35.61	70	8.60	9.18	9.22	10.99
34	26.20	31.68	30.79	34.96	75	6.54	7.01	7.12	8.46
35	25.68	31.00	30.17	34.31	80	4.75	5.51	4.94	6 50
36	25.16	30.32	29.54	33.68	85	3.37	4.12	3.12	4.84
37	24.64	29.64	28.91	33.04	90	2.41	3.28	1.95	2.83
38	24.12	28.96	28.28	32.40	95	0.75	3.53	1.18	1.55
39	23.60	28.28	27.65	31.76	100	...	2.28	...	0.50

NOTE BY THE EDITOR OF B. M. The preceding 230 pages include the first volume of Mr. Gilbart's valuable Treatise on Banking, under the following heads: —

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Mr. Gilbart's works on Banking have attained a just celebrity. Plain and practical, they are suitable to the character and position of the writer, and to the wants and inclinations of the banking and mercantile community, for whom they are chiefly intended. They are not, however, without much interest for every inquiring mind, while for statesmen and political economists they are sources of much useful and even indispensable information. The present work treats of banking as an *art*, and its merits have already been recognized by the public. The principal characteristic of Mr. Gilbart's book is, practical common sense, a due subordination of all the parts of the subject, so that none has an undue prominence; which, being joined with a perspicuous style, accounts for the favor his works have deservedly met with. — *London Economist.*

PART SECOND.

OF BANKING INSTITUTIONS.

I. The Bank of England. — II. London Private Banks. — III. Joint-Stock Banks in London. — IV. Country Private Banks. — V. Country Joint-Stock Banks. — VI. The Banks of Scotland. — VII. The Banks of Ireland. — VIII. Moral and Religious Duties of Banking Companies. — IX. Ten Minutes' Advice about Keeping a Banker. — X. Summary.

Section I. — THE BANK OF ENGLAND.

The Act of Parliament by which the bank was established, is entitled "An Act for granting to their Majesties, several duties upon tonnage of ships and vessels, and upon beer, ale, and other liquors, for securing certain recompenses and advantages in the said Act mentioned, to such persons as shall voluntarily advance the sum of £ 1,500,000 towards carrying on the war with France." After a variety of enactments relative to "the duty upon tonnage of ships and vessels, and upon beer, ale, and other liquors," the Act authorizes the raising of £ 1,200,000 by voluntary subscription, the subscribers to be formed into a corporation, and be styled, "The Governor and Company of the Bank of England." The sum of £ 300,000 was also to be raised by subscription, and the contributors to receive instead, annuities for one, two, or three lives. Towards the £ 1,200,000 no one person was to subscribe more than £ 10,000 before the first day of July next ensuing, nor at any time more than £ 20,000. The corporation were to lend their whole capital to Government, for which they were to receive interest at the rate of £ 8 per cent. per annum, and £ 4,000 per annum for management; being £ 100,000 per annum in the whole. They were not allowed to borrow or owe more than the amount of their capital; and if they did so, the individual members became liable to the creditors, in proportion to the amount of their stock. They were not to trade in any "goods, wares, or merchandise whatsoever"; but they were allowed to deal in bills of exchange, gold or silver bullion, and to sell any goods, wares, or merchandise, upon which they had advanced money, and which had not been redeemed within three months after the time agreed upon. The whole subscription having been filled in ten days, a charter was issued on the 27th day of July, 1694. This charter has been repeatedly renewed.

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The charter granted in 1708 prohibited any other bank having more than six partners, issuing notes in any part of England.

The charter of 1833 continued the privileges of the bank until the expiration of one year's notice, to be given within six months after the expiration of ten years from August 1, 1834. But if such notice should not be given, then the charter was to be continued until the expiration of twelve months' notice, to be given after the 1st day of August, 1855.

According to this charter, no other bank, having more than six partners, can issue notes payable on demand in London, or within sixty-five miles thereof. Bank-notes are to be a legal tender, except at the bank or branch banks. The amounts of the notes in circulation, and of the deposits, and of the bullion and securities in the bank, are to be sent weekly to the Chancellor of the Exchequer for the time being. These accounts are to be consolidated every month, and an average state of the bank accounts for the preceding three months to be published in the *London Gazette*. Any joint-stock bank that does not issue notes may carry on business in London. The following is the clause relating to this subject: —

"And whereas the intention of this Act is, that the Governor and Company of the Bank of England should, during the period stated in this Act, (subject, nevertheless, to such redemption as is described in this Act,) continue to hold and enjoy all the exclusive privileges of banking given by the said recited Act of the 39th and 40th years of the reign of his Majesty King George III. aforesaid, as regulated by the said recited Acts of the 7th year of his late Majesty King George IV. or any prior or subsequent Act or Acts of Parliament, but no other or further exclusive privilege of banking: And whereas doubts have arisen as to the construction of the said Acts, and as to the extent of such exclusive privilege, and it is expedient that all such doubts should be removed: Be it therefore declared and enacted, that any body politic or corporate, or society, or company, or partnership, although consisting of more than six persons, may carry on the trade or business of banking in London, or within sixty-five miles thereof, provided that such body politic or corporate, or society, or company, or partnership, do not borrow, owe, or take up, in England, any sum or sums of money on their bills or notes payable on demand, or at any less time than six months from the borrowing thereof, during the continuance of the privileges granted by this Act to the said Governor and Company of the Bank of England."

In the year 1844 the bank charter was again renewed until the expiration of twelve months to be given after the 1st day of August, 1855. The following are the principal provisions of this important Act (7 & 8 Vict. c. 32): —

Bank to establish a Separate Department for the Issue of Notes.

"I. Whereas it is expedient to regulate the issue of bills or notes payable on demand: and whereas an Act was passed in the fourth year of the reign of his late Majesty King William the Fourth, entitled 'An Act for giving to the Corporation of the Governor and Company of the Bank of England certain Privileges for a limited Period, under certain Conditions'; and it is expedient that the privileges of exclusive banking therein mentioned should be continued to the said Governor and Company of the Bank of England, with such alterations as are herein contained, upon certain conditions: may it therefore please your Majesty that it may be enacted; and be it enacted by the Queen's most excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, *that from and after the thirty-first day of August, one thousand eight hundred and forty-four*, the issue of promissory notes of the Governor and Company of the Bank of England, payable on demand, shall be separated and

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thenceforth kept wholly distinct from the general banking business of the said governor and company; and the business of and relating to such issue shall be thenceforth conducted and carried on by the said governor and company in a separate department, to be called 'The Issue Department of the Bank of England,' subject to the rules and regulations hereinafter contained; and it shall be lawful for the court of directors of the said governor and company, if they shall think fit, to appoint a committee or committees of directors for the conduct and management of such issue department of the Bank of England, and from time to time to remove the members, and define, alter and regulate the constitution and powers of such committee as they shall think fit, subject to any by-laws, rules, or regulations, which may be made for that purpose: Provided, nevertheless, that *the said issue department shall always be kept separate and distinct from the banking department of the said governor and company.*

Management of the Issue by Bank of England.

"II. And be it enacted, That upon the thirty-first day of August, one thousand eight hundred and forty-four, there shall be transferred, appropriated, and set apart by the said governor and company to the issue department of the Bank of England securities to the value of *fourteen million pounds*, whereof the debt due by the public to the said governor and company shall be and be deemed a part; and there shall also at the same time be transferred, appropriated, and set apart by the said governor and company to the said issue department so much of the gold coin and gold and silver bullion then held by the Bank of England as shall not be required by the banking department thereof; and thereupon there shall be delivered out of the said issue department into the said banking department of the Bank of England such an amount of Bank of England notes as, together with the Bank of England notes then in circulation, shall be equal to the aggregate amount of the securities, coin, and bullion so transferred to the said issue department of the Bank of England; and the whole amount of the Bank of England notes then in circulation, including those delivered to the banking department of the Bank of England as aforesaid, shall be deemed to be issued on the credit of such securities, coin, and bullion so appropriated and set apart to the said issue department; and from thenceforth it shall not be lawful for the said governor and company to increase the amount of securities for the time being in the said issue department, save as hereinafter is mentioned, but it shall be lawful for the said governor and company to diminish the amount of such securities, and again to increase the same to any sum not exceeding in the whole the sum of *fourteen million pounds*, and so from time to time as they shall see occasion; and from and after such transfer and appropriation to the said issue department as aforesaid it shall not be lawful for the said governor and company to issue Bank of England notes, either into the banking department of the Bank of England, or to any person or persons whatsoever, save in exchange for other Bank of England notes, or for gold coin or for gold or silver bullion received or purchased for the said issue department under the provisions of this Act, or in exchange for securities acquired and taken in the said issue department under the provisions herein contained: Provided always, that it shall be lawful for the said governor and company in their banking department to issue all such Bank of England notes as they shall at any time receive from the said issue department or otherwise, in the same manner in all respects as such issue would be lawful to any other person or persons.

Proportion of Silver Bullion to be retained in the Issue Department.

"III. And whereas it is necessary to limit the amount of silver bullion on which it shall be lawful for the issue department of the Bank of England to issue Bank of England notes; be it therefore enacted, That it shall *not* be lawful for the Bank of England to retain in the issue department of the said bank at any one time an *amount of silver bullion exceeding one fourth part of the gold coin and bullion* at such time held by the Bank of England in the issue department.

All Persons may demand of the Issue Department Notes for Gold Bullion.

"IV. And be it enacted, That from and after the thirty-first day of August, one thousand eight hundred and forty-four, all persons shall be entitled to demand from

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the issue department of the Bank of England Bank of England notes in exchange for gold bullion, at the rate of *three pounds seventeen shillings and ninepence* per ounce of standard gold; Provided always, that the said governor and company shall in all cases be entitled to require such gold bullion to be melted and assayed by persons approved by the said governor and company, at the expense of the parties tendering such gold bullion.

Power to increase Securities in the Issue Department, and issue additional Notes.

"V. Provided always, and be it enacted, That if any banker who on the sixth day of May, one thousand eight hundred and forty-four, was issuing his own bank notes, shall cease to issue his own bank notes, it shall be lawful for her Majesty in Council, at any time after the cessation of such issue, upon the application of the said governor and company, to authorize the said governor and company *to increase the amount of securities in the said issue department* beyond the total sum or value of fourteen million pounds, and thereupon to issue additional Bank of England notes to an amount not exceeding such increased amount of securities specified in such Order in Council, and so from time to time: Provided always, that such increased amount of securities specified in such Order in Council shall in no case exceed the proportion of *two thirds the amount of bank notes which the banker so ceasing to issue* may have been authorized to issue under the provisions of this Act; and every such Order in Council shall be published in the next succeeding *London Gazette*.

Account to be rendered by the Bank of England.

"VI. And be it enacted, That an account of the amount of Bank of England notes issued by the issue department of the Bank of England, and of gold coin, and of gold and silver bullion respectively, and of securities in the said issue department, and also an account of the capital stock, and the deposits, and of the money and securities belonging to the said governor and company in the banking department of the Bank of England, on some day in every week, to be fixed by the Commissioners of Stamps and Taxes, shall be transmitted by the said governor and company weekly to the said commissioners in the form prescribed in the schedule hereto annexed marked (A), and shall be published by the said commissioners in the next succeeding *London Gazette* in which the same may be conveniently inserted.

Bank of England exempted from Stamp Duty upon their Notes.

"VII. And be it enacted, That from and after the said thirty-first day of August, one thousand eight hundred and forty-four, the said governor and company of the Bank of England shall be released and discharged *from the payment of any stamp duty*, or composition in respect of stamp duty, upon or in respect of their promissory notes payable to bearer on demand; and all such notes shall thenceforth be and continue free and wholly exempt from all liability to any stamp duty whatsoever.

Bank to allow £180,000 per Annum.

"VIII. And be it enacted, That from and after the said thirty-first day of August, one thousand eight hundred and forty-four, the payment or deduction of the annual sum of one hundred and twenty thousand pounds, made by the said governor and company under the provisions of the said Act, passed in the fourth year of the reign of his late Majesty King William the Fourth, out of the sums payable to them for the charges of management of the public unredeemed debt, shall cease, and in lieu thereof the said governor and company, in consideration of the privileges of exclusive banking, and the exemption from stamp duties, given to them by this Act, shall, during the continuance of such privileges and such exemption respectively, but no longer, deduct and allow to the public, from the sums now payable by law to the said governor and company for the charges of management of the public unredeemed debt, the *annual sum of one hundred and eighty thousand pounds*, any thing in any Act or Acts of Parliament, or in any agreement, to the contrary notwithstanding: Provided always, that such deduction shall in no respect prejudice or affect the rights of the said governor and company to be paid for the management of the public debt at the rate and according to the

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terms provided in an act passed in the forty-eighth year of the reign of his late Majesty King George the Third, entitled 'An Act to authorize the advancing for the Public Service, upon certain Conditions, a Proportion of the Balance remaining in the Bank of England, for the Payment of Unclaimed Dividends, Annuities, and Lottery Prizes, and for regulating the Allowances to be made for the Management of the National Debt.'

Bank to allow the Public the Profits of increased Circulation.

"IX. And be it enacted, That in case, under the provisions hereinbefore contained, the securities held in the said issue department of the Bank of England shall at any time be increased beyond the total amount of fourteen million pounds, then and in each and every year in which the same shall happen, and so long as such increase shall continue, the said governor and company shall, in addition to the said annual sum of one hundred and eighty thousand pounds, make a further payment or allowance to the public, equal in amount to *the net profit derived in the said issue department during the current year from such additional securities*, after deducting the amount of the expenses occasioned by the additional issue during the same period, which expenses shall include the amount of any and every composition or payment to be made by the said governor and company to any banker in consideration of the discontinuance at any time hereafter of the issue of bank notes by such banker; and such further payment or allowance to the public by the said governor and company shall, in every year while the public shall be entitled to receive the same, be deducted from the amount by law payable to the said governor and company for the charges of management of the unredeemed public debt, in the same manner as the said annual sum of one hundred and eighty thousand pounds is hereby directed to be deducted therefrom."

Bank to enjoy Privileges subject to Redemption.

"XXVII. And be it enacted, That the said Governor and Company of the Bank of England shall have and enjoy such exclusive privilege of banking as is given by this Act, upon such terms and conditions, and subject to the termination thereof at such time and in such manner as is by this Act provided and specified; and all and every the powers and authorities, franchises, privileges, and advantages, given or recognized by the said recited Act passed in the fourth year of the reign of his Majesty King William the Fourth, as belonging to or enjoyed by the said Governor and Company of the Bank of England, or by any subsequent Act or Acts of Parliament, shall be and the same are hereby declared to be in full force, and continued by this Act, except so far as the same are altered by this Act; subject nevertheless to redemption upon the terms and conditions following; that is to say, *at any time upon twelve months' notice to be given after the first day of August, one thousand eight hundred and fifty-five*, and upon repayment by Parliament to the said governor and company or their successors of the sum of eleven million fifteen thousand and one hundred pounds, being the debt now due from the public to the said governor and company, without any deduction, discount, or abatement whatsoever, and upon payment to the said governor and company and their successors of all arrears of the sum of one hundred thousand pounds per annum, in the last-mentioned Act mentioned, together with the interest or annuities payable upon the said debt or in respect thereof, and also upon repayment of all the principal and interest which shall be owing unto the said governor and company and their successors upon all such tallies, exchequer orders, exchequer bills, or parliamentary funds which the said governor and company or their successors shall have remaining in their hands or be entitled to at the time of such notice to be given as last aforesaid, then and in such case, and not till then, the said exclusive privileges of banking granted by this Act shall cease and determine at the expiration of such notice of twelve months; and any vote or resolution of the House of Commons, signified under the hand of the Speaker of the said house in writing, and delivered at the public office of the said governor and company, shall be deemed and adjudged to be a sufficient notice."

We have noticed the provisions of this Act in a former part of our

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work. We shall here only give a summary of the business operations of the bank.

The Bank of England is a bank of issue. She can issue to the extent of £ 14,000,000 against that amount of securities set apart for that purpose. She can issue to any further amount against lodgments of gold and silver, as regulated by the above Act. This amount of £ 14,000,000 may be issued either at the office in London or at the branches. Were she to reduce the number of her branches she would not be required to issue less than this £ 14,000,000; and were she to increase her branches, she could issue no more. If other banks discontinue their circulation, she may upon application receive permission to extend her issues to two thirds the sum thus withdrawn; but all the profit of this increase must go to the Government. She cannot issue any note for a less amount than five pounds. All the notes are payable in gold on demand. The payment of those issued in London can be demanded only at the London office. But the payment of those issued at the branches may be demanded either at the London office or at the branches where they were respectively issued. Bank of England notes are a legal tender in all cases, except when tendered by the bank herself.

The Bank of England is also a Bank of deposit, of loan, and of discount. She allows no interest on any portion of her deposits, nor permits any account to be overdrawn. She charges various rates on the bills she discounts, but does not go below the rate she announces to be her minimum. She does not act as the London agent of country banks; but is the agent of the Bank of Ireland, and the Royal Bank of Scotland. She does not accept any bills that may be drawn by those banks, or by her own branches, — they are all drawn without acceptance. She does not issue any circular notes on foreign countries, nor grant letters of credit on foreign banks. She remits money to and from her branches, and from one branch to another. She issues at the London office bank-post bills, drawn at seven days' sight.

The Bank of England is also the banker of the Government. She has always a large amount of public deposits, on which she allows no interest. She receives the public revenue, and pays the dividends on the National Debt.

The profits of the bank are derived from her capital, her rest, public and private deposits, the seven-day bills, her agencies, and her circulation. From these funds she makes investments in public securities and private securities. These bring dividends and interest. She also has a profit on the £ 14,000,000 of notes in circulation. This profit is the difference between the expense of maintaining the circulation, and the interest received on the securities set apart to meet this circulation. The bank has an annual payment from the Government for managing the National Debt. She also receives a commission from those banks to which she is the London agent. A profit is also obtained on bullion transactions. The bank buys gold at £ 3 17*s.* 9*d.* an ounce and sells it at £ 3 17*s.* 10½*d.* an ounce. Against these profits the bank has to place the expense of conducting the establishment, and the losses incurred by bad debts, forgeries, and unfortunate investments.

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The Branches of the Bank of England.

The Act of 1826, which permitted the formation of joint-stock banks in England, also authorized the Bank of England to establish branches in the provincial towns. Their mode and terms of transacting business were thus described at the time in a Welsh newspaper, called the *Cambrian* : —

" The branch bank is to be a secure place of deposit for persons having occasion to make use of a bank for that purpose ; such accounts are termed *drawing accounts*. The facility to the mercantile and trading classes of obtaining discounts of good and unexceptionable bills, founded upon real transactions, two approved names being required upon every bill or note discounted ; these are called *discount accounts*. The application of parties who desire to open discount accounts at the branch, are forwarded every Saturday to the parent establishment for approval, and an answer is generally received in about ten days. When approved, good bills may be discounted at the branch without further reference to London. Bills payable at Swansea, London, or any other place where a branch is established, are discounted under this regulation. The dividends on any of the public funds, which are payable at the Bank of England, may be received at the branch here, by parties who have opened 'drawing accounts,' after signing powers of attorney for that purpose, which the branch will procure from London. No charge is made in this case, except the expense of the power of attorney and its postage. Purchases and sales of every description of Government securities are effected by the branch at a charge of one quarter per cent., which includes brokerage in London, and all expenses of postage, &c. A charge of one quarter per cent. is also made on paying at the Bank of England, bills accepted by persons having drawn accounts at Swansea, such bills to be advised by the branch ; also for collecting payment of bills at the other branches, and on granting letters of credit on London, or on the other branches. The branch grants bills on London, payable at twenty-one days' date without acceptance, for sums of ten pounds and upwards. Persons having drawing accounts at Swansea, may order money to be paid at the bank in London, to their credit at this place, and *vice versâ*, without any expense. The branch may be called upon to change any notes issued and dated at Swansea, but they do not change the notes of the bank in London, nor receive them in payment, unless as a matter of courtesy where the parties are known. Bank post bills which are accepted and due, are received at the branch from parties having drawing accounts, and taken to account without any charge for postage ; but unaccepted bank post bills, which must be sent to London, are subject to the charge of postage, and taken to account when due. No interest is allowed on deposits. No advance is made by the branch upon any description of landed or other property, nor is any account allowed to be overdrawn. The notes of Messrs. Walter's Bank at this place, of Messrs. Williams & Rowland, Neath Bank, and of the Brecon Old Bank, are received in payment at the branch. Any other country bankers may open an account for the like purpose. The notes are the same as those issued by the parent establishment, except being dated Swansea, and made payable there and in London. No note issued exceeds the sum of £500, and none are for a less amount than £5."

The Bank of England has opened fourteen branches. But the Exeter branch was removed, in the year 1844, to Plymouth ; and the Gloucester branch has recently been closed. The following tables will show the circulation in notes, and bank post bills, of each branch : —

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The following is an Account of the Average Circulation of BRANCH BANK NOTES *in each year, from* 1832 *to* 1847, *both inclusive, distinguishing the Amount from each Branch:—*

	1832.	1833.	1834.	1835.	1836.	1837.	1838.	1839.	1840.	1841.	1842.	1843.	1844.	1845.	1846.	1847.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Gloucester,	56,068	49,084	37,039	37,718	82,953	211,531	304,356	339,722	308,819	302,665	278,239	121,917	103,731	90,897	83,290	71,975
Manchester,	1,315,296	1,526,743	1,605,260	1,473,738	1,560,426	1,505,732	1,501,231	1,476,097	1,424,529	1,501,143	1,604,054	1,780,994	2,154,502	2,398,540	2,323,185	2,129,062
Swansea,	49,428	47,297	58,318	68,721	80,408	97,313	99,066	104,614	96,494	81,720	84,225	83,678	96,113	99,150	106,869	106,634
Birmingham,	413,622	402,739	353,125	328,329	368,463	432,186	452,431	499,017	525,630	558,320	555,496	605,095	600,900	592,107	608,589	658,231
Liverpool,	377,144	522,625	581,228	710,615	828,820	786,383	833,272	800,054	769,438	722,896	777,838	919,047	1,241,467	1,367,365	1,129,299	1,118,691
Bristol,	113,320	116,465	94,630	84,721	74,280	78,386	74,944	69,424	76,359	78,030	168,407	252,744	324,696	436,426	446,027	421,590
Leeds,	199,005	262,250	229,606	247,126	262,537	211,797	197,164	192,755	164,207	197,225	297,082	325,774	322,372	403,292	396,204	359,595
Newcastle,	51,146	49,853	59,251	104,112	123,072	241,111	251,103	338,079	376,565	424,573	498,704	543,287	598,290	666,086	695,130	742 628
Hull,	59,272	68,035	58,522	52,039	66,859	77,438	80,015	81,046	84,511	78,842	80,486	89,137	98,826	124,523	122,582	112,039
Norwich,	30,245	32,521	25,117	16,689	12,843	11,661	10,723	12,020	10,546	10,050	19,369	55,738	65,980	30,752	12,290	10,553
Plymouth,	.....	.....	42,018	60,552	64,254	70,953	61,475	56,515	56,004	70,502	254,623	291,995	364,817	351,402	332,058	311,480
Portsmouth,	.....	.....	35,672	62,060	59,442	109,413	127,363	116,354	112,832	189,457	267,424	367,377	417,521	383,557	343,203	317,332
Leicester,	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	127,205	183,507	174,910	168,020
Exeter,*	31,154	36,016	34,869	7,334	3,411	2,259	1,685	1,308	1,053	805	661	610	564	.....	.....	.....
	2,695,700	3,113,628	3,214,655	3,253,754	3,587,768	3,836,163	3,994,828	4,687,005	4,006,987	4,216,529	4,886.618	5.437,396	6,516,984	7,127,604	6,773,636	6,527,740

The following is an Account of the Average Circulation of TWENTY-ONE-DAYS' *and* SEVEN-DAYS' BILLS, *in each year, from* 1832 *to* 1847; *distinguishing the Amount from each Branch:—*

	1832.	1833.	1834.	1835.	1836.	1837.	1838.	1839.	1840.	1841.	1842.	1843.	1844.	1845.	1846.	1847.
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Gloucester,	2,327	1,947	2,008	2,427	1,606	1,835	1,805	1,139	1,012	790	679	722	1,342	739	969	958
Manchester,	13,972	15,407	13,542	19,357	14,934	13,862	14,736	16,505	24,310	33,169	35,010	52,124	76,067	89,862	82,750	74,690
Swansea,	2,258	1,855	1,568	2,496	1,581	1,435	1,502	1,342	1,150	1,474	1,752	1,748	2,202	2,079	1,946	2,186
Birmingham,	5,474	4,670	4,320	3,828	3,471	3,934	3,257	3,473	3,763	3,862	3,825	4,941	5,967	9,912	6,732	6,885
Liverpool,	33,746	38,132	36,464	54,567	44.363	33,973	30,687	32,009	39,761	47,960	53,500	65,325	84,239	112,270	93,394	91,602
Bristol,	8,578	7,888	7,521	4,895	3,637	4,458	3,645	3,408	3,373	3,154	3,591	3,484	5,828	9,143	6,832	8,447
Leeds,	6,109	7,289	6,176	5,936	4,498	3,466	3,418	3,631	3,648	5,017	5,780	8,311	10,155	12,575	13,130	13,289
Newcastle,	2,115	1,284	624	2,987	2,615	3,664	2,736	3,329	4,605	5,582	5,917	6,576	7,805	11,943	14,761	21,863
Hull,	3,795	4,831	2,434	2,003	2,313	2,736	2,552	3,002	3,173	3,217	4,526	5,132	7,782	11,140	9,806	11,217
Norwich,	1,712	1,650	1,340	2,119	1,105	1,385	986	1,331	1,377	1,804	1,788	1,949	2,329	1,719	1,612	1,557
Plymouth,	.....	.....	939	2,731	2,714	1,615	2,528	3,503	2,759	3,551	3,482	3,682	3,764	3,867	3,667	4,596
Portsmouth,	.....	.....	269	738	1,069	1,758	2,368	2,058	2,690	3,284	2,879	3,016	3,200	3.635	3,635	3,897
Leicester,	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,871	2,676	1,859	1,547
Exeter,*	815	989	980	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
	80,901	85,942	78,185	104,084	83,906	74,121	70,220	74,730	91,621	112,864	122,729	157,010	212,551	271,560	241,093	242,734

* This Branch was removed to Plymouth, May 1, 1834.

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The Gloucester branch has recently been closed. At one time the Gloucestershire Banking Company issued only the notes of this branch; but previous to 1844, they resumed the circulation of their own notes, and hence in the years 1843, and 1844, the circulation of this branch declined. Whether it be from this cause, or from the operation of the Act of 1844, that the branch has been discontinued, we do not know. It is clear, that under this Act, the Bank of England has few motives for extending her branches. She cannot increase her circulation of notes except under especial circumstances, and then all the profit must go to the Government.

The Bank of England consented to establish branches in the year 1826, at the suggestion of Lord Liverpool, in order to extend to the provinces the advantage of a *secure* circulation. This was considered the grand desideratum at that time, in consequence of the numerous failures that had recently taken place among the country bankers. This object was effected, and effected with greater facility, in consequence of the establishment of joint-stock banks, who made arrangements for issuing Bank of England notes.

These branches were not merely banks of circulation. They were banks of deposit, of discount, and of remittance. In these respects they came into competition with the country bankers. This, in some cases reduced the charges previously made on banking transactions. As banks of discount, they charged the same rate which was charged at the London office, — a charge usually below that of the country banks. As banks of remittance, they granted letters of credit at a shorter term. As banks of deposit, they charged no commission. But, on the other hand, they allowed no interest on the balance, and they allowed no account to be overdrawn; and they would not receive from their depositors any country notes, unless the banks had previously opened an account with them, and made a lodgment to meet their notes.

While, therefore, the branches have obtained a large circulation, and have transacted a good business as banks of discount and of remittance, they have not made much progress as banks of deposit. The deposits at all the branches amount to only £1,200,000. When it is considered that the branches are established in large towns, and that many of them have existed for above twenty years, this amount is far from considerable.

Here is another anomaly of the Act of 1844. The Bank of England is placed in a position in which it is her interest to withdraw some of her branches. At the same time, the banks of issue in the neighbourhood of those branches are not allowed to extend their issues so as to fill up the vacuum which is thus occasioned in the amount of the local circulation.

The Laws of the Currency with Reference to the Bank of England.

In March, 1841, I was, at the request of the joint-stock banks, examined as a witness before a Select Committee of the House of Commons "appointed to inquire into the effects produced on the circulation of the country by the various banking establishments issuing notes payable

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on demand." The charge advanced at the time against the issuing joint-stock banks, and generally against all banks of issue was, that they did not make the amount of their circulation correspond with the amount of the circulation of the Bank of England. With reference to this accusation, I laid before the committee a variety of tables, designed to show the laws which regulated the circulation of the Bank of England, of the country banks, of the banks of Ireland and of Scotland, respectively. The inference was designed to show that no correspondence could exist between the circulation of these several banks. These tables cannot be introduced here. But the following is a summary of my evidence on this subject, taken from an article on "The Laws of the Currency," which I published in the "Foreign and Colonial Review" of April, 1844: —

"We have before us two reports from the Committee on Banks of Issue, laid before the House of Commons in the years 1840 and 1841. The committee report the evidence, and abstain from giving any opinion upon the great questions involved in the inquiry. They, however, recommended the passing of the Act 4 & 5 Vict. c. 50, requiring a monthly registry of the circulation of the Bank of England, and of the other banks of issue, with the amount of bullion, to be published in the *Royal Gazette.* It may therefore be expected, that, in a course of years, a sufficient number of facts will be recorded to enable future generations to form 'well-grounded opinions' on this important subject.

"In the mean time we will make use of the information we already possess. We will take the monthly returns of the circulation for the period that is past, that is, from September 1833 to the end of 1843, and endeavour, by observing their various revolutions, to discover if they are governed by any fixed causes or principles, — to ascertain if those principles are uniform in their operation; and if we should discover that the revolutions of the currency are regulated by any uniform principles, we shall call those principles the Laws of the Currency.

"We shall begin with that portion of the currency which consists of notes issued by the Bank of England. On looking over the monthly circulation of the Bank of England, given in the Table, No. 34, in the Appendix to the Report of 1840,* we observe, that the circulation of the months in which the public dividends are paid is higher than in the subsequent months. Thus, the average circulation of January is higher than that of February or March. The circulation of April is higher than that of May or June. The circulation of July is higher than that of August or September. And the circulation of October is higher than that of November or December. This, then, we may consider as one law of the circulation of the Bank of England, — that it ebbs and flows four times in the year, in consequence of the payment of the quarterly dividends. This law does not apply to any other bank, as all the Government dividends are paid by the Bank of England.

"Again, the purchase and sale of Government stock and exchequer

* This table, extended to the latest return, is published in the Banking Almanac for 1849, p. 24. It will be seen that the laws of the circulation of the Bank of England remain the same as before the passing of the Act of 1844.

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bills by the Bank of England affects the amount of her circulation. If the bank purchase Government stock or exchequer bills, she pays for them in her own notes, and thus increases her circulation. If, on the other hand, she sell Government stock or exchequer bills, she receives payment in her own notes, and thus her circulation is diminished. Another law, then, and one peculiar to the Bank of England is, that her circulation is affected by the purchases and sales of Government securities.

"As the payment of the public dividends puts into circulation the notes of the bank, the receipt of the public revenue will of course withdraw her notes from circulation. A large amount of the public revenue is paid at the latter part of the year, and this probably is the main cause why the amount of the Bank of England circulation is always the lowest in the month of December. Although the circulation ebbs and flows four times in the year, yet the December* point is always the lowest point throughout the year; and this is the case in every year, although the Bank of England is always open in December for short loans, the granting of which increases her circulation. This, then, is another law of the circulation.

"If the bank purchase bullion with her notes, that will of course increase her circulation; if she sell bullion, that will diminish her circulation; and, as the bank is always open for the purchase of bullion at a fixed price, and as gold may at all times be withdrawn from her in payment of her notes, her circulation is subject to considerable fluctuation from this cause. There is not, however, any uniform correspondence between the amount of her circulation† and the amount of her bullion; for when she pays the public dividends, she increases her notes, but diminishes her bullion; and when she receives the public revenue, as in December, her circulation is diminished, but the bullion is increased. These contrary fluctuations are occasioned by that portion of our currency which is under £5 consisting of the precious metals; but they do not impugn the law which states that the purchase of gold increases, and the sale of gold diminishes, the amount of her circulation.

"We have thus traced those peculiar laws which regulate the monthly revolutions of the circulation of the Bank of England. We shall now proceed to its annual revolutions.

"Any of the causes of the monthly fluctuations of the circulation of the Bank of England, if called into operation more in one year than in another, may become causes of annual fluctuations. But the most uniform and permanent cause of annual fluctuation appears to be made by the purchases and sales of bullion. The word 'bullion,' in the bank returns, means gold and silver, whether coined or uncoined, and whether lying at the head office or at the branches. When the foreign exchanges are in

* There was an exception to this law in December, 1843, in consequence of the calling in of the light sovereigns.

† The word "circulation" means of course the amount of notes in the hands of the public. Since the passing of the Act of 1844, the word has been sometimes used in a more extended sense, so as to include also the notes in the banking department of the Bank of England.

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favor of this country, bullion is imported and sold to the Bank of England; and when the exchanges are unfavorable, gold is exported, and the exporters obtain the gold from the Bank of England, either by purchase or by demanding payment of her notes. In most cases, however, the circulation does not fluctuate so much as the bullion. For when notes are issued against a large importation of bullion, money becomes abundant and cannot be employed, and hence it is lodged by bankers and others in the Bank of England, on deposit. But so long as the bank keeps her securities of the same amount, the increase of the bullion will always be about equal to the increase of the circulation and the deposits added together. And, on the other hand, when an adverse exchange draws bullion from the bank, the deposits decrease as well as the circulation; and the decrease in both together will be equal to the amount of gold withdrawn; that is, supposing the securities to remain the same.

"By 'securities' is meant Government stock, exchequer bills, loans, discounted bills, or any thing else on which the bank may have advanced money. It is a principle of management by the bank, to keep the total amount of their securities equal, or nearly so; and so long as this rule is acted upon, the tendency of exportations or importations of bullion to produce the variations we have described, must be considered as one of the laws of the circulation."

One Bank of Issue.

Mr. Cotton, who was the Governor of the Bank of England when the Act of 1844 was passed, stated in the evidence before a Committee of the House of Commons, in 1848, that the ultimate object of that Act was the establishment of one bank of issue. (*Commons*, 4561.) I was examined on this subject before the committee on banks of issue, in the year 1841. The following is a summary of my evidence: —

1. *If we had only one bank of issue we should have sometimes too much money and sometimes too little for the wants of trade.* — "I think it is one of the inconveniences of a metallic currency, and would, in fact, be one of the inconveniences of a sole bank of issue, that at one part of the year we should have too much money, and at another part too little; because, as money would not fluctuate in amount, and the demands of trade would fluctuate, the amount of money would not be proportionate throughout the year to the demands of trade." . . . . . "I have shown from Appendix 34, that even taking the whole circulation together, there is a difference varying from two to four millions, in the total amount of the circulation; and, therefore, after supposing all these transfers to have taken place, if they could have taken place at all, and that the surplus of one district was to supply the wants of another, still there would be a very great inequality in the amount of money, as compared with the demands of trade."

"It appears from Appendix 34, that the total amount of notes in England, Scotland, and Ireland, varies very considerably in different months of the year. Supposing, then, that you had one bank, and that all the notes in circulation were the notes of that one bank, which did nothing

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but issue notes against gold, and gold against notes, how would you employ those notes which were not wanted in the slack periods of the season?" . . . . . "It is evident from Appendix 34, that during some part of the year there is not employment for the entire amount of money that is required in another season of the year; and if you had one bank of issue, as you could not contract the circulation, you would have a surplus circulation, which would have the effect of lowering the rate of interest, and promoting speculation."

2. *One bank of issue would reduce the means of the country bankers to afford assistance to their customers, and hence cause great distress, especially in the agricultural districts.* — "What would be the effect which you think it would produce upon country bankers?" . . . . . "I think the banks, in the first place, having to pay off their notes, it would reduce their funds, from which they now give accommodation to their customers; and in order to find funds to pay off those notes, they would have to recall loans, and to reduce discounts to such a degree as to cause considerable distress throughout the country, and more especially in the agricultural districts."

3. *The bankers would be compelled to increase their charges.* — "What effects do you imagine would ensue when the measure had once been carried into effect?" . . . . . "After the meaure had once been carried into effect, the charges which the country bankers would be compelled to make upon that accommodation which they would still have the power of affording, must be considerably increased."

"Why?" . . . . . "Because they would then get no profit upon the notes; at present they can afford to advance money at a low rate of interest when issued in their own notes, because of the profit upon those notes. When I was in Ireland, I discounted bills at the same rate which was charged by the Bank of England here, and for the same reason, because I issued my own notes; but if the country bankers had to bring the money from a distance and lend it to their customers, they must get a greater interest from their customers than they could get by employing in London or elsewhere, and hence they must make, either in the form of interest, or in the form of commission, heavier charges than they made before."

4. *One bank of issue would cause some of the smaller banking establishments to be discontinued.* — "The profit on the circulation being thus reduced, there would be a further effect by the limitation of banking establishments; for some of those establishments are so small, and established in remote places, that they would scarcely pay the expense of conducting them, unless for the profits of the circulation; and yet the withdrawal of those establishments, though connected with no great profit to the bank, would be attended with very considerable loss and inconvenience to the inhabitants of those places, because those banks act as receivers of the surplus capital, and hence they are useful to persons who have money to place in those banks; they act as discounters and granters of loans, and hence they are useful to the productive industry of the country; they are also useful as banks of remittance, for the purpose of making payments from those places elsewhere, and hence they are useful to traders; and those useful purposes, as far as many small banks are

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concerned, would be altogether annihilated, if those establishments did not issue their own notes."

"In your opinion, the suppression of their circulation would render it necessary for them to charge a higher commission upon their operations, or a higher interest upon the loans which they make?" . . . . . "With regard to those small establishments, I do not think any rate of commission could pay the expense: with regard to the larger establishments, you might make up for the deficiency of profit upon the circulation by an increased charge of commission; but with regard to small establishments, in remote places, the business is not sufficient, even with the charge of commission, to pay the expense without the profits of the circulation: annihilation of the circulation would lead to annihilation of the bank."

5. *One bank of issue would lead to the substitution of bills of exchange, or some other form of credit currency.* — "Do you conceive that it would have any effect upon what you have called the amount of the circulation, which in your opinion is required at different times of the year?" . . . . . "I think it would have a considerable effect generally in the reduction of the circulation; because if the circulation were issued by one single bank, the local bankers in the respective districts would have no interest in increasing the amount of that circulation, and hence, in places where it could be done, the bankers would most likely have recourse to a bill circulation, and they would substitute bills for the circulation of this one bank of issue. We know that at Manchester and Liverpool, and in other places in that district, a bill circulation, a short time ago, was almost the entire circulation; and it was not till the Bank of England established branches in those places, that the bill circulation became considerably reduced; and even then the bank obtained a circulation in those places only by offering their notes to country bankers at a reduced rate of interest. Now, if you had only one bank of issue, it is not to be supposed that the country bankers would obtain those notes at a reduced rate of interest, and consequently they would have no advantage in getting them into circulation; they would fall back upon their bill circulation, upon which they got a profit, and the amount of note circulation would, I think, be considerably reduced."

6. *With one bank of issue, the reactions of the Foreign Exchanges would produce great and universal distress, and yet not accomplish that constant conformity between the London and country circulation which is sought to be attained.* — "Do you conceive that such a change as has been contemplated, namely, the abolition of country bank-notes, would produce any effect upon the foreign exchanges?" . . . . . "The effect upon the foreign exchanges would depend upon the principle upon which the single bank of issue was conducted. If conducted merely by issuing gold for notes and notes for gold, I consider that when the foreign exchanges were favorable, and brought in a large amount of gold, then there would be a large amount of notes put into circulation. I think that was the case in 1837 and 1838, although the Bank of England did not issue to such an extent, as, upon the principle assumed, this one bank of issue would be compelled to do. I consider that thus this large amount of notes put into circulation against the importation of gold would reduce the rate

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of interest, would excite speculation, and lead to foreign investments; that a reaction would then take place, and the amount of contraction would be very considerable, so as to produce very great distress."

"Now, whether you have different banks, or whether you have only one bank, if there is a certain amount of circulation in the country, and a certain amount in London, and the Bank of England, or the central bank, purchase a large amount of bullion in London, that immediately disturbs the proportion that existed between the London circulation and the country circulation; and, on the other hand, if there is a demand for bullion to go abroad, and bullion is sold at the central office, that will contract the circulation, and contract it much more than it could be immediately contracted in the country. If, therefore, the liability to a disproportion in amount between the country and the London circulation is a defect in the existing system, it is a defect which the establishment of only one bank of issue will not remedy."

7. *The establishment of one bank of issue would embarrass the Fiscal operations of the Government.* — "I may now state, with reference to the payment of the public dividends, that the Bank of England advances loans in December, before the dividends are paid, which loans are discharged after the dividends are paid, and thus the fluctuation in the currency is very considerably diminished from what it otherwise would be. Now, if we had a bank that could not do this, if the currency were issued upon what have been called currency principles, then the Chancellor of the Exchequer must have the whole amount of the January dividends in his strong room before he could pay those dividends. Out of the circulation of England and Wales, consisting of about £28,000,000, you *must* collect eight millions and a half, and lock them up in the custody of the Government previously to the payment of the dividends; then you pay out in a mass these eight millions and a half, and that in a state of contracted currency; and thus you go on, four times in the year, producing the most violent and most extravagant fluctuations: whereas now, by the excellent plan adopted by the Bank of England, in issuing her notes before the payment of the dividends, by means of loans, which are discharged after the payment of the dividends, notwithstanding you pay eight millions and a half of dividends, you produce a fluctuation in the currency of only two millions and a half."

8. *The principle of one bank of issue cannot be applied to the various currencies of the United Kingdom.* — "What is the general conclusion which you propose to draw from the tables you have put in?" . . . . . "The general conclusion I would draw is, that the Bank of England is governed by certain laws which do not apply to the country circulation; that the country circulation of England is also governed by laws peculiar to itself; that the circulation of Ireland is also governed by laws peculiar to itself; that the circulation of Scotland is also governed by laws peculiar to itself; that those respective circulations are all governed by uniform laws, as is shown by their arriving at nearly the same point at the same period of the year; and therefore that you cannot introduce any system by which all those various circulations, governed by different laws, can be amalgamated into one system; that such a system would be at

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variance with itself, and would tend to destroy that beautiful system of country banking which now exists in this country,—a system which has tended very much to the prosperity of this country, which, by receiving the surplus capital of different districts, and giving out the capital for the encouragement of trade, calls forth all the natural resources of the country, and puts into motion the industry of the nation, and at the same time supplies a circulation which expands and contracts in each district according as it is required by the trade or agriculture of the district. Those expansions or contractions take place at different periods of the year in different districts; the circulation expands when the wants of trade require it, and when no longer wanted it again returns; and I think this beautiful system, in the language of the resolutions passed by the deputies from the joint-stock banks, 'has greatly promoted the agriculture, trade, mining, and general industry of the nation, and that equal advantages cannot be produced by one bank of issue.'"

We shall conclude this section by copying the correspondence between the First Lord of the Treasury and the Chancellor of the Exchequer and the Bank of England, respecting the suspension of the Act of 1844.

"GENTLEMEN, "*Downing Street, 25th October*, 1847.

"Her Majesty's Government have seen with the deepest regret the pressure which has existed for some weeks upon the commercial interests of the country, and that this pressure has been aggravated by a want of that confidence which is necessary for carrying on the ordinary dealings of trade.

"They have been in hopes that the check given to transactions of a speculative character, the transfer of capital from other countries, the influx of bullion, and the feeling which a knowledge of these circumstances might have been expected to produce, would have removed the prevailing distrust.

"They were encouraged in this expectation by the speedy cessation of a similar state of feeling in the month of April last.

"These hopes have, however, been disappointed, and her Majesty's Government have come to the conclusion, that the time has arrived when they ought to attempt, by some extraordinary and temporary measure, to restore confidence to the mercantile and manufacturing community.

"For this purpose, they recommend to the directors of the Bank of England, in the present emergency, to enlarge the amount of their discounts and advances upon approved security; but that, in order to retain this operation within reasonable limits, a high rate of interest should be charged.

"In present circumstances, they would suggest that the rate of interest should not be less than 8 per cent.

"If this course should lead to any infringement of the existing law, Her Majesty's Government will be prepared to propose to Parliament on its meeting, a Bill of Indemnity. They will rely upon the discretion of the directors to reduce as soon as possible the amount of their notes, if any extraordinary issue should take place, within the limits prescribed by law.

"Her Majesty's Government are of opinion that any extra profit derived from this measure should be carried to the account of the public, but the precise mode of doing so must be left to future arrangement.

"Her Majesty's Government are not insensible of the evil of any departure from the law which has placed the currency of this country upon a sound basis; but they feel confident that, in the present circumstances, the measure which they have proposed may be safely adopted, and at the same time the main provisions of that law, and the vital principle of preserving the convertibility of the bank-note, may be firmly maintained.

"We have the honor to be, Gentlemen,

"Your obedient humble Servants,

"*The Governor and Deputy Governor of the Bank of England.*" (Signed,) "J. RUSSELL.

"CHARLES WOOD.

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"GENTLEMEN, "*Bank of England, 25th October*, 1847.

"We have the honor to acknowledge your letter of this day's date, which we have submitted to the Court of Directors, and we inclose a copy of its resolutions thereon.

"We have the honor to be, Gentlemen,
"Your most obedient Servants,
"JAMES MORRIS, *Governor.*
"H. J. PRESCOTT, *Deputy Governor.*

"*To the First Lord of the Treasury and the Chancellor of the Exchequer.*"

"At a Court of Directors, at the Bank of England, Monday, 25th October, 1847: *Resolved*,—

"1. That this Court do accede to the recommendation contained in the letter from the First Lord of the Treasury and the Chancellor of the Exchequer, dated this day, and addressed to the Governor and Deputy Governor of the Bank of England, which has just been read.

"2. That the minimum rate of discount on bills not having more than 95 days to run be 8 per cent.

"3. That the advances be made on bills of exchange, on stock, exchequer bills, and other approved securities, in sums of not less than two thousand pounds, and for a period to be fixed by the Governors, at the rate of 8 per cent. per annum."

"GENTLEMEN, "*Downing Street, 23d November*, 1847.

"Her Majesty's Government have watched, with the deepest interest, the gradual revival of confidence in the commercial classes of the country.

"They have the satisfaction of believing that the course adopted by the Bank of England, on their recommendation, has contributed to produce this result, whilst it has led to no infringement of the law.

"It appears, from the accounts which you have transmitted to us, that the reserve of the Bank of England has been for some time steadily increasing, and now amounts to £5,000,000. This increase has, in a great measure, arisen from the return of notes and coin from the country.

"The bullion exceeds £10,000,000, and the state of the exchanges promises a further influx of the precious metals.

"The knowledge of these facts by the public is calculated to inspire still further confidence.

"In these circumstances, it appears to her Majesty's Government that the purpose which they had in view in the letter which we addressed to you on the 25th October has been fully answered, and that it is unnecessary to continue that letter any longer in force.

"We have the honor to be, Gentlemen,
"Your obedient humble Servants,
(Signed,) "J. RUSSELL.
"CHARLES WOOD.

"*The Governor and Deputy Governor of the Bank of England.*"

"GENTLEMEN, "*Bank of England, 23d November*, 1847.

"We have the honor to acknowledge the receipt of your letter of this day's date, in which you communicate to us that in consequence of the gradual revival of confidence in the commercial classes of the country, it appears to her Majesty's Government that the object they had in view in the letter they addressed to us on the 25th October has been fully answered, and that it is unnecessary to continue that letter any longer in force.

"We have the honor to be, Gentlemen,
"Your most obedient Servants,
"JAMES MORRIS, *Governor*
"H. J. PRESCOTT, *Deputy Governor.*

"*To the First Lord of the Treasury and the Chancellor of the Exchequer.*"

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Section II. — THE LONDON PRIVATE BANKERS.

By the last Bank Charter Act (7 & 8 Vict. c. 32, s. 21), passed in the session of 1844, it was enacted "that every banker in England and Wales, who is now carrying on, or shall hereafter carry on, business as such, shall, on the first day of January in each year, or within fifteen days thereafter, make a return to the Commissioners of Stamps and Taxes at their head office in London, of his name, residence, and occupation, or in the case of a company or partnership, of the name, residence, and occupation of every person composing or being a member of such company or partnership, and also the name of the firm under which such banking company or partnership carry on the business of banking, and of every place where such business is carried on; and if any such banker, company, or partnership, shall omit or refuse to make such return within fifteen days after the said first day of January, or shall wilfully make other than a true return of the persons as herein required, every banker, company, or partnership so offending, shall forfeit and pay the sum of £ 50; and the said Commissioners of Stamps and Taxes shall, on or before the first day of March in every year, publish in some newspaper circulating within each town or county respectively, a copy of the return so made by every banker, company, or partnership carrying on the business of bankers within such town, or respectively, as the case may be."

This was the first time that any of the banking companies in London were required to make returns to Government of the number or names of their partners. All banks that issued notes were required when they applied for a license, to name their partners; but as none of the London bankers issued notes, they required no license, and made no return. Nor did the joint-stock banks established in London, make any returns to the Government of their partners. For as they did not possess, until the year 1844, the power of suing and being sued in the name of their public officers, they did not register, at any Government office, the names of their partners, though, in some cases, these names were appended to the Annual Reports of the directors. This Act (7 & 8 Vict. c. 32) came into operation in January, 1845, and we have now, therefore, for the first time, the means of obtaining the names of all the partners in all the banking establishments throughout England and Wales. (These are inserted every year in the Banking Almanac.)

The Act not only requires that the bankers shall make these returns between the first and fifteenth of January in each year, it requires also, that the Commissioners of Stamps and Taxes shall publish them before the first of March following, in some newspaper that circulates within the town or county in which the bankers making the return carry on their business. The returns from the London banks are published in supplements to the *London Gazette*, which we presume is considered to be a newspaper within the meaning of the Act.

The particulars required to be returned by the Act, and stated in the *Gazette*, are, the name of the firm or company; the name, residence, and occupation of the persons of whom the company or partnership con-

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sists; and the name of the place or places where the business is carried on.

The London banking establishments, according to the last return, consist of fifty-eight partnerships, each not having more than six partners; and of five public companies which are usually styled joint-stock banks. The former may be divided into three classes: —

I. Those who are members of the Clearing-house.
II. Those located west of Temple-bar, but are not members of the Clearing-house.
III. Those located east of Temple-bar.

1. *A List of those London Banking Firms who attend the Clearing-house.*

Name of the Firm.	*No. of Partners.*	*Residences.*
1. Barclay, Bevan, Tritton, & Co.	five	54, Lombard-street.
2. Barnard, Dimsdale, & Co.	two	50, Cornhill.
3. Barnett, Hoare, & Co.	five	62, Lombard-street.
4. Bosanquet, Franks, & Whatman	three	73, Lombard-street.
5. Brown, Janson, & Co.	six	32, Abchurch-lane.
6. Curries & Co.	four	29, Cornhill.
7. Denison, Heywood, Kennard, & Co.	four	4, Lombard-street.
8. Fullers & Co.	three	65, Moorgate-street.
9. Glyn, Halifax, Mills, & Co.	six	67, Lombard-street.
10. Hanburys, Taylor, & Lloyd	five	60, Lombard-street.
11. Hankey & Co.	four	7, Fenchurch-street.
12. Jones, Lloyd, & Co.	five	43, Lothbury.
13. Lubbock, Forster, & Co.	three	11, Mansion-House-street.
14. Martins, Stones, & Martins	four	68, Lombard-street.
15. Masterman, Peters, Mildred, Masterman, & Co.	six	34 & 35, Nicholas-lane, Lombard-street.
16. Prescott, Grote, Cave, & Co.	four	62, Threadneedle-street.
17. Price, Marryatt, & Co.	two	3, King William-street.
18. Robarts, Curtis, & Co.	four	15, Lombard-street.
19. Rogers, Olding, & Co.	four	29, Clement's-lane.
20. Sapte, Muspratt, Banbury, & Co.	three	77, Lombard-street.
21. Smith, Payne, & Smith	six	1, Lombard-street.
22. Spooner, Atwoods, & Co.	two	27, Gracechurch-street.
23. Stevenson, Salt, & Sons	three	20, Lombard-street.
24. Williams, Deacon, Labouchere, & Co.	five	20, Birchin-lane.
25. Willis, Percival, & Co.	six	76, Lombard-street.

Total, 104 partners.

2. *A List of those Banking Firms West of Temple Bar, who are not Members of the Clearing-house.*

Name of the Firm.	*No. of Partners.*	*Residences.*
1. Bouverie, Norman, & Murdock	three	11, Haymarket.
2. Call, Marten, & Co.	three	25, Old Bond-street.
3. Cocks, Biddulph, & Co.	five	43, Charing-Cross.
4. Coutts & Co.	four	58 & 59 Strand.
5. Messrs. Drummond	five	49, Charing Cross.
6. Hallett, Robinson, & Co.	four	14, Great George-street.
7. Herries, Farquhar, & Co.	four	16, St. James's-street.
8. Charles Hopkinson & Co.	two	3, Regent-street.
9. Ransom & Co.	four	1, Pall Mall East.
10. Sir Samuel Scott & Co.	three	1, Cavendish-square.

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	Name of the Firm.	*No of Partners.*	*Residences.*
11.	Strahan, Pauls, & Bates	four	217, Strand.
12.	Richard Twining & Co.	six	215, Strand.

Total, 47 partners.

3. *A List of the Banking Firms East of Temple Bar.*

	Name of the Firm.	*No. of Partners.*	*Residences.*
1.	Abraham Bauer & Co.	one	71, King William-street.
2.	William and John Biggerstaff	two	8, West Smithfield.
3.	James Bult, Son, & Co.	two	85 & 86, Cheapside.
4.	Child & Co.	four	1, Fleet-street.
5.	Roger Cunliffe	one	24, Bucklersbury.
6.	Cunliffes, Brooks, & Co.	two	24, Lombard-street.
7.	Robert Davies & Co.	two	187, High-st., Shoreditch.
8.	Dixon, Brooks, & Dixon	three	25, Chancery-lane.
9.	Drewett & Fowler	two	4, Princes-street.
10.	John Feltham & Co.	two	42, Lombard-street.
11.	Goslings & Sharpe	five	19, Fleet-street.
12.	C. Hill & Sons	two	17, West Smithfield.
13.	Messrs. Hoare	five	37, Fleet-street.
14.	Hugh & John Johnston & Co.	three	15, Bush-lane.
15.	Sir C. S. Kirkpatrick, Dalrymple, MacGregor, Twigg, & Co.	four	29, Gracechurch-street.
16.	Pocklington & Lacy	two	60, West Smithfield.
17.	Praed, Fane, & Co.	four	189, Fleet-street.
18.	Puget, Bainbridge, & Co.	four	12, St. Paul's Churchyard.
19.	John Shank	one	76, West Smithfield.
20.	John & W. S. Stride	two	41, West Smithfield.
21.	Thomas G. Tisdale	one	15, West Smithfield.

Total, 54 partners.

The Clearing Banks are banks of deposit and of discount, and they act as agents to the country banks. The banks in Fleet-street and in Westminster do not usually discount bills for their customers, nor act as agents to country banks. Their connections embrace chiefly the clergy, the gentry, and the nobility. Their loans to their customers are chiefly upon landed security, and they are supposed to hold a large amount of exchequer bills and other Government securities. None of the London bankers allow interest on deposits, or charge commission on town accounts. Those who act as agents to country banks charge a commission on the debit side of the account, and some of them allow interest on the daily balance. Instead of a *pro rata* commission, some country banks pay their agent by a fixed annual payment, or by keeping in his hands a certain balance without interest. None of the present London bankers have ever issued notes, though, until the year 1844, they had legally the power of doing so. Several of them issue "Circular Notes," for the use of travellers on the continent.

The following is a summary of part of the evidence delivered before the Bank Committee of 1832, by George Carr Glyn, Esq., respecting the London bankers: —

"There are sixty-two private banks in the metropolis, none of which for the last fifty years have issued notes of their own, though it would seem that such of them as consist of fewer than six partners might lawfully circulate their own paper if they pleased. As they act entirely with the Bank of England paper, it is doubtful whether there be

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any limit to the number of partners of which London private banks may consist. They receive deposits, upon which they pay no interest. The system of allowing interest on deposits was formerly tried in London; but the houses that attempted it invariably failed. The deposits held by the London bankers are generally composed of very large sums, which are necessarily payable on demand; and hence they cannot be made use of to the same extent as those which are intrusted to country bankers, and which, whenever interest is allowed, are usually left with them for a stipulated period. On the other hand, in all ordinary transactions, the London banks charge no commission to their customers.

"The London banks, in order to be able to meet their engagements, usually keep a large deposit, nearly equal, perhaps, to half of what they hold in reserve, in the Bank of England; a portion of their current funds they necessarily hold at home in bank paper, and a small amount in gold. Their deposit in the bank they consider as so many notes in their drawer, liable to be called out by the daily fluctuations in the accounts of their customers. The balances in their hands, often very large, are frequently withdrawn without notice; hence their intercourse is almost hourly with the Bank of England, from which they receive every facility.

"In order to turn their funds to profit, the London bankers employ as much money as they can amongst their customers. They invest a considerably larger proportion of their deposits in bills of exchange and promissory notes, than in public securities. The city banker is, however, under a disadvantage in this respect, which is not felt by the banker at the west end of the town. The latter may, to a certain extent, depend upon the use of the money deposited with him, as his accounts are usually those of country gentlemen, and individuals out of trade; whereas the former, whose accounts are principally those of persons actively engaged in commercial or money operations, can hardly know three days beforehand what the amount of his deposits may be at any given period. The London bankers are obliged to employ their money occasionally at a very low rate of interest. In some cases, it may have been within the last twelve months, 2½ per cent.; but the average has been from 3 to 3½, and it has fairly kept at that rate. The highest rate has been 4 for short bills, but 5 has been charged for bills of twelve or eighteen months."

We shall now describe the mode of conducting the clearing, or the way in which many of the London bankers make their exchanges with each other. These exchanges are made at the Clearing-house. At this house, which is situated in Lombard-street, in a part of the old Post-office, a clerk attends from each banking-house twice a day. First, he goes at eleven o'clock with those bills which he has upon other bankers. Each bill is receipted by the house through whom it is presented, and the cheques have the name of the house written across them. He drops the bills payable at each house in a separate drawer provided for the purpose, and he enters in his book, under separate accounts, those bills that may be dropped into his drawer. At about twelve he returns home. He goes again at three o'clock with a fresh quantity of bills and cheques, which he delivers in the several drawers as before. He then enters in his book those cheques that may have been delivered in his drawer. From three to four he receives further supplies of cheques brought to him from home by other clerks. These cheques he enters in his book, and they are then delivered in the proper drawers. As soon as the clock strikes four, no further cheques are taken. He then casts up each account, and strikes the balance. These balances are then transferred to the balance-sheet. The balance-sheet is a half sheet of paper, with a list of clearing bankers printed alphabetically in a row down the middle. On the left-hand side is a space for the debtors. On the right-hand side is a space for the creditors. The clerk begins with the house at the top of the list. If this house owes him money, he places the balance on the left side of the

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name. If he owes money to this house, he places the amount on the right side. Thus he proceeds through the whole list. He then goes to the clerk of each house, and calls the balance to him; and if they both agree, they mark it with a pen. If they differ, they examine where the error lies, and make the accounts agree. He then casts up each side of the balance-sheet, and strikes the balance. If the total amount of debits exceeds the total amount of credits, he will have to receive the amount of the difference. If the credits exceed the debits, he will have to pay the difference.

If a banker does not choose to pay a bill or draft brought home from the Clearing-house, it is sent back, and dropped in the drawer of the house by whose clerk it was presented. On the bill or draft is stated the reason for its non-payment: this is usually, "no effects," or "no advice"; sometimes, "not sufficient effects," or "refer to the accepter." If this draft was delivered, in the first instance, in the morning clearing (that at twelve o'clock), it is usually returned before four o'clock; but, in all cases, it must be returned before five o'clock, or else it will not be taken back, and the banker is considered to have paid it. If returned after four o'clock, it is debited and credited on the back of the balance-sheet.

All this is usually done by five o'clock, when the clerks go home for a short time for two purposes: one purpose is, to fetch the money they have to pay; and the other is, to see if their balance on the sheet agrees with the balance of the books at home. At about a quarter or half-past five they return, and any clerk who has money to pay, pays it to any clerk who has money to receive. It is common, however, for three or four clerks to form a sort of club, and pay principally among themselves. Hence, when one member of the club has money to pay, he will pay it to some member of the same club who has money to receive, in preference to paying it to any one else; by this means his friend obtains his money earlier than he otherwise might, and gets off sooner. It is obvious that all the money that is to be paid must be equal to all the money that is to be received. If this should not appear to be the case, there must be some error; and the Clearing-house is then said to be wrong. Two inspectors are appointed, with salaries, to detect errors of this kind by examining and marking off the sheets. Their signature is also necessary before any money can be paid from one clerk to another.

All the articles in the clearing are entered at home in a book called the Clearing-Book. On the left-hand are entered the bills and drafts upon other bankers. These are called the "clearing-out." On the right-hand are entered the drafts which are drawn upon the house, and which have *come in* from the clearing. These are called the "clearing-in." If the "clearing-out" is a greater sum than the "clearing-in," the clerks say, "the clearing brings in"; that is, the clearing clerk will bring in money from the Clearing-house. In the other case, they say, "the clearing takes out"; that is, he will take out money from the Banking-house to pay away at the Clearing-house. The balance of this book should agree with the clearer's balance-sheet, excepting the differences of the preceding night, which he may have settled. When this is the case, the clearer is right; if not, he is wrong, and he must discover the error. The clearer

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may be wrong through errors made either in his own book at the Clearing-house, or in the Clearing-Book at home. The error at home may be either in the "clearing-in" or in the "clearing-out." If the error be in the clearing-out, it will make the Banking-house wrong; if in the clearing-in, it will not. Suppose, for instance, the clearing-out is wrong, cast £ 1,000 too much, the house will be £ 1,000 over, and the clearer will be £ 1,000 short. But if the clearing-in be wrong, cast £ 1,000 too much, it will not affect the balance of the house, because the Cash-Book will, consequently, be £ 1,000 less; and these two amounts, those of the Cash-Book and the Paid-Day-Book, (into which the amount of the Clearing-In-Book is entered,) are placed on the same side of the trial-paper. But this error will make the clearer wrong. The way in which the clearer discovers his errors is, by marking off his book against the Clearing-Book, and by recasting both the books. An error may have occurred at the Clearing-house. If the clearer has placed a wrong balance on his sheet, or has wrong cast his balance-sheet, the Clearing-house will be wrong, and the inspectors will make it their business to discover the error. But if the clearer has entered an article wrong in his book, and the clerk of the house upon whom the draft is drawn has entered it wrong also, then the Clearing-house will be right, and both these clearers will be wrong; one being as much over as the other is short.

All the articles in the clearing-out must mark against either the Journals, the Received Waste-Books, or the Lists. To secure greater accuracy, the clearing-in is entered not only in the regular Clearing-Book, but also in another book by itself, which for distinction is called the Clearing-In-Book. The amount of the clearing-in is entered in the Paid-Day-Book previous to the daily balance. On the following morning, the Clearing-In-Book is marked against the debit side of the Ledger, and the Ledger-Folio placed against each entry.

No gold, silver, or copper, is taken to the Clearing-house; the differences under £ 5, that may be left between the clerks who receive and pay with each other are carried to account on the following day.

Country notes are not paid at the Clearing-house, but are taken round to the banking-houses, and exchanged for tickets called memorandums, which are passed through the afternoon clearing. The following is the form of these memorandums: —

London, 1st May, 1827.

Due to Messrs. Steady & Co.

One Thousand Pounds

For Country Notes, to be paid in the clearing of this day.

For Messrs. Hope, Rich, & Co.

£ 1,000. *A Clerk.*

Drafts that are paid into the Banking-house after four o'clock are taken to the houses upon whom they are drawn "to be marked"; that is, it is asked if these drafts will be paid in the clearing of the next day. If so, one of the clerks *marks* the cheque by placing his initials upon it. If the

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cheque is refused to be marked, it is returned as dishonored, on the following day, to the person who has paid it in. Had it not been sent to be marked, the draft would not have been refused payment until the next day, and it could not be returned to the customer till the day afterwards.

The operations on the Stock Exchange cause a great number of cheques to be drawn on bankers, and thus increase the operations at the Clearing-house.

A person who wants to buy £ 100 consols, give his order to a broker, and pays him possibly by a cheque on his banker, which the broker takes and pays to his own banker. He then buys the £ 100 consols from a jobber, and pays him by a cheque. The jobber possibly replaces this stock by buying a £ 100 consols from another broker who is ordered by his principal to sell that amount of stock. The jobber gives the broker his cheque upon his banker, and the broker probably will give his principal the produce of the stock by a cheque. No money has passed between the parties, and the result of the whole is, that the buyer of the stock has £ 90 less in the hands of his banker, and the seller has £ 90 more. Four cheques have been drawn, and these have caused transactions with five different bankers. The total number of credit and debit operations in all the banks is eight.

1. The banker of the buyer of the stock pays his cheque through the clearing, and debits his customer.

2. The banker of the broker who buys the stock, credits him with the purchaser's cheque, and debits him for the cheque he gives to the jobber.

3. The banker of the jobber credits him for the cheque he has received from the buying broker, and debits him for the cheque he gives to the selling broker.

4. The banker of the broker who sells the stock credits him for the jobber's cheque, and debits him for the cheque he gives to his customer who is the seller.

5. The banker of the seller credits him for the cheque of the broker who has sold the stock, and will debit him for any cheque he may draw against it.

Should neither the buyer nor the seller of the stock keep a banker, then only three cheques would be drawn.

Besides these daily transactions arising out of real business, the brokers have large transactions in what are called "time bargains." This is what is usually meant by "gambling in the funds." The parties buy or sell consols against the next settling day. No real purchase or sale is ever intended. When the settling day arrives, the losing party has to pay the difference that has arisen from the fluctuations in the price. A settlement takes place among the brokers in a way somewhat resembling the settling between the bankers at the Clearing-house. All the differences are paid by cheques. A broker may give twenty, thirty, or forty cheques to as many different brokers, and he may receive an equal number from other brokers. All these cheques are paid by the respective bankers through the Clearing-house. Besides settling days for consols, there are also settling days for foreign funds, and for shares in railway companies.

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The differences in these cases are also settled by cheques upon the clearing bankers.

Mr. Thomas, inspector of the Clearing-house, stated to the Bullion Committee, in the year 1810, that the average amount of drafts paid every day at the Clearing-house was £4,700,000; and the average amount of the balance paid in bank notes was £220,000. Sometimes the bank notes brought to the Clearing-house of an evening exceeded £500,000; and on settling days at the Stock Exchange, the amount of drafts paid was above £14,000,000. At that time, the Clearing-house had been established thirty-five years, and the number of clearing bankers was forty-six.

The following is a copy of a Clearing Balance-Sheet, and a List of the Bankers who clear. The name of the house to whom each sheet belongs is placed at the top, and is then, of course, omitted in the alphabetical list :—

Debtors. £	s.	d.		Creditors. £	s.	d.
			Barclay			
			Barnard			
			Barnetts			
			Bosanquet			
			Brown			
			Curries			
			Fullers			
			Glyn			
			Hanbury			
			Hankey			
			Jones			
			Lubbock			
			Masterman			
			Prescott			
			Price			
			Robarts			
			Rogers			
			Smith			
			Spooner			
			Stevenson			
			Stone			
			Vere			
			Williams			
			Willis			

The following is the amount of transactions passed through the clearing by each banking-house, during the year 1840 : —

£		£	
107,000,000	Barclay.	8,000,000	Dorrien.
12,000,000	Barnard.	7,500,000	Fullers.
50,000,000	Barnetts.	105,300,000	Glyn.
3,500,000	Bosanquet.	24,000,000	Hanbury.
7,000,000	Brown.	15,000,000	Hankey.
17,500,000	Curries.	104,000,000	Jones.
26,800,000	Dennison.	24,200,000	Ladbroke.

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£		£	
33,700,000	Lubbock.	37,000,000	Stone.
90,000,000	Masterman.	10,400,000	Vere.
30,000,000	Prescott.	—	Weston.
15,300,000	Price.	—	Whitmore.
80,880,600	Robarts.	56,000,000	Williams.
9,000,000	Rogers.	20,500,000	Willis.
—	Stevenson.		
16,000,000	Spooner.	974,580,000	
64,000,000	Smith.		

The following is an account of the aggregate demands made through the Clearing-house, and the amount of bank-notes with which they were discharged, during the year 1839 : —

	Demands.	Bank-Notes.		Demands.	Bank-Notes.
January	£82,762,400	— £6,348,500	August	£87,610,500	— £6,164,900
February	76,164,700	— 4,960,200	September	74,237,700	— 5,129,800
March	75,879,200	— 5,621,500	October	87,478,200	— 5,706,800
April	85,839,200	— 5,836,000	November	81,729,200	— 4,793,100
May	80,587,600	— 5,615,000	December	70,833,800	— 4,755,000
June	67,413,900	— 5,060,000			
July	83,865,200	— 6,284,800		£954,401,600	£66,275,600

A PRACTICAL TREATISE ON BANKING, by JAMES WILLIAM GILBART, F. R. S. First American from the Fifth London Edition, pp. 470. George P. Putnam, New York. This book is written by the General Manager of the London and Westminster Bank, and in a very able way treats of banking as an art. This book was designed to be useful to the English public at large, by circulating that kind of information which, as it becomes more widely diffused, would prevent a recurrence of those evils that result from the bad administration of our banking institutions, and certainly will nowhere prove so serviceable as in our own country, where these evils have made themselves felt a thousandfold more grievously than anywhere else. The work is of sterling merit, and has long been a standard authority in England. — *New York Courier and Enquirer.*

PUBLIC FAITH. — If the maintenance of public credit, then, be truly so important, the next inquiry that suggests itself is, By what means is it to be effected? The ready answer to which question is, *By good faith;* by a punctual performance of contracts. States, like individuals, who observe their engagements, are respected and trusted; while the reverse is the fate of those who pursue an opposite conduct.

Every breach of the public engagements, whether from choice or necessity, is, in different degrees, hurtful to public credit. While the observance of that good faith, which is the basis of public credit, is recommended by the strongest inducements of political expediency, it is enforced by considerations of still greater authority. There are arguments for it which rest on the immutable principles of moral obligations. — *Hamilton.*

OVER-TRADING. — I do not think that any system of currency that any human being can devise, can correct the follies of mankind; there are always some people who will speculate beyond their means; but under a proper system there would not be whole rows of perfectly innocent people knocked down, as there have been lately. — *Charles Turner, London,* 1847.

I have no doubt that the relaxation of the usury laws has operated beneficially to the trade of this country. — *Samuel Gurney.*

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THE STATE OF EUROPE.

From the London Times of March 6.

We concur with those who view the present state of Europe with considerable apprehension, for although a temporary triumph has been obtained over the revolutionary principle, the slightest occasion suffices to prove how thin a crust has formed itself over the lately glowing lava. The anniversary of the last Italian struggle is still celebrated by fires kindled by thousands of unseen hands along the crests of the Apennines, and even in the streets of Rome. In France the renewal of the proposal to recall the exiled princes sufficed to elicit from the Terrorists of the Mountain a barefaced avowal of their creed of persecution and of blood. In Germany the governments have escaped from the violence of their subjects only to live under their contempt, except where, as in Austria, the energy of a minister overleaps the bounds of prudence, and drives the most sedentary power of Europe into a strange career of enterprise. But in all these cases the mainspring of the policy of the day is fear, and there is no confidence on either side to cast it out. Such a state of things must be deeply regretted by every man who reflects upon it, not only because it is deeply injurious at this time to the liberty and progress of the world, but because it leaves no permanent foundation for the exercise of authority and the maintenance of peace.

It was from a clear anticipation and foreknowledge of these ulterior consequences, that we expressed at the time our hearty opposition to the revolutionary movements of 1848. They were a declaration of war on the part of a desperate and incapable party against the institutions which had given thirty-three years of unequalled prosperity, of general peace, and of progressive liberty to Europe. They were a sudden inroad of force and violence on the civilization of our age and the laws of society. Who did not see that force would ultimately repel force, but that the contest must be prolonged between these brutal agents until the demagogues, who were themselves incapable of producing any rational form of government, sunk under the pressure of a power as unintelligent as their own, but more irresistible? The period immediately preceding the revolution of February was one of singular promise. Prussia had recently entered upon a constitutional form of government, which might in ordinary times have shaped itself by practice to the wants of the nation. Italy was animated by new hopes, too soon to be frustrated. All was sacrificed to the spirit of violence and excess which broke forth upon the signal from Paris; and when the convulsion began to subside, it was found, as had been foreseen with absolute certainty, that Europe had materially lost in prosperity and in freedom. Many of the former friends of constitutional government were shaken in their faith, and driven by their foes to adopt precautions which their principles disavowed. Other minds, maddened by the reverses which they sustained, placed their future hopes of success and schemes of ambition in a more reckless and extreme policy to be practised hereafter. The means necessarily em-

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ployed to put down the wildest outbreaks of popular fury which the modern world had beheld, — a five days' battle on the barricades of Paris, and a month of anarchy within the walls of Vienna, — set at naught all rights but those of public safety. But as one extreme provokes another, a state of armed repose in the very heart of society succeeded to the relations before subsisting between rulers and their subjects. Every government of the Continent has been from that time forth under arms. Every sovereign has prepared for personal defence; and the courts of Europe are like places fortified against an enemy in the field. Military armaments, hardly equalled in the greatest wars, cover the most civilized countries, and exhaust the energies of the people. Authority has assumed the arms and accepted the alliance of despotism, since freedom descended to violence and appealed to the passions of a revolution. Between such extremes there is little to choose, for both are equally remote from that standard of liberty and order to which this country happily adheres. But the deepest disgrace rests, in our opinion, upon those who first degraded the liberal cause by the abuse they made of it, and then exposed it to a conflict in which it has been inevitably worsted; while the danger now pressing most heavily upon the future is, that, as nothing has been done since the restoration of tranquillity to regain the confidence and gratitude of the people, the struggle will one day be renewed, and the world is threatened by a long alternation of popular license and military oppression.

THE GOLD AND QUICKSILVER MINES.

I. The Quicksilver Mines of California.

The richest mine yet discovered is located in the Santa Clara Valley, about twelve miles from San Jose, which is worked by an individual company, who hold possession under the old Mexican title of "denouncement." At this mine a large number of furnaces are in operation. These furnaces resemble in appearance a long steam-boiler, set in brick, with fires underneath. The cinnabar, or quicksilver ore, is thrown into the boiler, where it is left from thirty to forty hours, by which time it is smelted, and the quicksilver in a fluid state is drawn off in vessels, after the manner observed in iron founderies. The ore does not require to be crushed, except to a convenient size for the boilers.

The color of the ore is vermilion, resembling red chalk, immense piles of which are constantly on hand, prepared for the smelting process, and which not unfrequently yields fifty per cent., sometimes the net profits yielding as high as $ 1,000 per day. The mine is worked by Mexicans and Chilians, who carry the ore in raw hide sacks, upon their shoulders, from the bottom of the vein to the opening above, a distance of between three and four hundred feet. The mine is probably the richest in the world, and with the same facilities and machinery used

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elsewhere, would yield most enormously, far beyond even what is now produced.

At one time during the past season, there were 8,000 *cargas*, or mule loads, of the ore laying at the mouth of the mine, each *carga* being 300 pounds, or an aggregate of 2,400,000 pounds. At an average yield of fifty per cent., the product would be 1,200,000 pounds of pure quicksilver, which, at a market value of $ 1 per pound, would yield the enormous sum of $ 1,200,000. This finds its way to market in one direction and another, but its value is enhanced by the fact that California itself affords a good market, large quantities being used in separating fine particles of gold from the sand and dirt, and which cannot be procured by the ordinary process of washing. By the use of quicksilver, the gold is taken up and adheres in lumps, while the dirt floats on the surface, and is easily separated.

In addition to the quicksilver mine to which we have particularly referred, there are three or four others in the same valley, which, though not worked to the same extent, yet are reported to be equally as rich in yield of ore. These mines were worked long before this beautiful country fell into the possession of the energetic people whose cabins are now found in every valley, by the side of every streamlet, and throughout the mountains. It is said by a correspondent of an Eastern paper, that the aborigines had known and resorted to these deposits of cinnabar for centuries, for the purpose of procuring coloring materials with which to adorn their faces and persons, and it was by following their trail that a knowledge of the existence of this valuable mineral was obtained.

From this it will be seen that gold is not the only source of wealth to those who seek our shores for a permanent habitation, or with the less commendable determination of amassing sudden fortunes. The quicksilver deposits alone will afford sufficient inducement for the investment of large capital, and when to this is added the silver ore, and, last and greatest, the *golden* treasure, the world need no longer wonder that the eyes of moneyed men in every locality are turned to California, as affording the safest investment, and the surest and largest return. — *Pacific News, March* 15.

II. The Production of Gold in Russia.

The production of gold in Russia was, in 1847, about £ 4,000,000; in 1848 it was rather more; and in 1849 it was about £ 3,480,000. The return for 1850 has not yet been published, but in 1848 and 1849 the exportation of gold was prohibited, and in 1850 the state of the exchanges was entirely unfavorable to gold being sent out of the country; on the contrary, a large portion of the 4½ per cent. loan, contracted at London, was paid in gold or silver. Still, the circulation of gold coin does not seem to have augmented, and, indeed, gold appears but very rarely in the ordinary transactions of business at St. Petersburg or Moscow. We can only explain this state of things by the accumulation of bullion in the government coffers, and by the diffusion of gold coin through the

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provinces, and in all parts of this vast empire. The purchases made by the government for the army, &c., being generally liquidated in gold, the Russian half imperials have lately acquired a large currency in Germany, and it may thus be supposed that a rather important amount of our gold coin has gradually passed into circulation in this manner. The augmentation of the population, and the increase of comfort, and even luxury, among a large class of the community, will also account for a more considerable absorption of gold; but even all these circumstances taken together do not sufficiently explain the state of our circulation, when compared with the production of Russia, which furnishes so large a proportion of the general production of the globe, excluding California. The production of gold by Russia has, contrary to the assertions made by some newspaper correspondents, been decreasing since 1847, which may in part be attributed to a progressive tax on the produce of the mines and washings, in proportion to the quantity produced, established since that period. The government possessing a monopoly of the melting of the precious metal, the produce of private mines, yielding more than three fourths of the total production, is handed over to government, which coins it, or disposes of it otherwise. The Russian government has naturally followed with attention the fluctuations of gold in other parts of Europe; but the recent prohibition of the exportation of gold seems to indicate that it will not meddle with the position of its gold coinage. — *St. Petersburg Journal, February* 8.

III. Export of Gold Dust from California for 1851.

We gave an estimate at the close of the year 1850 of the production of gold in California from the 1st of April, 1849, to the 31st of December, 1850, from which it appeared that the amount reached the sum of $ 68,587,591. We propose to continue this subject by giving a statement of the value of gold produced by the mines within the past quarter, commencing at the 1st of January and terminating at the 31st of March, 1851.

The facts which are given are derived from official records, and may be relied upon as correct. The estimates are matters of opinion, but are founded upon reliable information gathered from authentic sources.

Statement No. 1.

Showing the amount of gold dust shipped from San Francisco for the months of January, February, and March, 1851. Passengers are at an average of $ 400 each.

		Gold Dust.	
	Passengers.	*By Passengers.*	*Consigned.*
January,	2,605	$ 1,042,000	$ 2,929,888
February,	1,767	706,800	2,278,923
March,	1,757	702,800	3,028,631
Total,	6,129	$ 2,451,600	$ 8,237,542
Amount by passengers,			2,451,600
Total amount,			$ 10,689,142

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Of the above sum of $ 8,237,542, the Pacific Mail Steamship Company carried $ 4,538,941; Law's line, $ 2,511,000; the New Orleans, of the Empire City line, $ 1,108,105, — all running to Panama; the remainder, $ 79,496, was carried by sailing vessels to Valparaiso.

The above sum of $ 10,689,142 comprises two items of export, namely, the amount of gold appearing on the books of the various steamship companies, and that estimated to have been carried by passengers. To this of course must be added many other items, to arrive at the actual production of gold by the mines.

Large amounts have been coined by our various coining establishments, now numbering six; our jewellers have worked up a considerable sum; miners from Mexico, Chili, Oregon, and other places, have carried off large amounts. Many of our merchants have sent off considerable sums to China, the Sandwich Islands, Mexico, and various countries in South America on the Pacific, and to the numerous Islands, with which to pay for return cargoes. These sums do not appear on the custom-house books. Large amounts remain in the hands of miners, merchants, and others.

We have carefully collected all the reliable data upon which estimates of these sums may be founded, and subjoin a statement.

Statement No. 2.

Stamped bullion, by	
Baldwin & Co.,	$ 590,000
Moffatt & Co., up to January 27th, when they ceased coining,	89,000
United States Assay Office,	530,000
Shultz & Co.,	93,000
Dubosq & Co.,	150,000
Jewelry manufactured by	
Jacks and Bros.,	10,000
Holmes and others,	25,000
All other Jewelry establishments to,	25,000
Total,	$ 1,517,000

Statement No. 3.

To these amounts may be added the following estimates, which are made up from the best information that can be obtained from well-informed persons.

Gold dust carried over land and coastwise by miners from Mexico, Chili, Oregon, &c.,	$ 1,000,000
Shipped by merchants, of which there is no manifest entry,	450,000
In the possession of miners, merchants, brokers, and others, over and above the amount estimated in December last,	1,000,000
	$ 2,450,000

Recapitulation.

Gold dust shipped by steamers for the quarter ending March 31st,	$ 8,237,542
Estimated to have been taken by passengers,	2,451,600
As per statement No. 2,	1,517,000
As per statement No. 3,	2,450,000
	$ 14,656,142

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Brought over, ...	$ 14,656,142
In the above estimates, the value of gold dust has been computed at $ 16 the ounce troy. If we add $ 1 per ounce to this, we will have the present California value, ...	916,009
	$ 15,572,151
Add to this 60 cents per oz. more, and we get the mint value, ...	458,004
	$ 16,030,155

This, then, is the amount of gold dust that has been produced by the mines of California for the first quarter of 1851. If we take this as a standard in estimating the product for the year, the total production for 1851 would be $ 64,120,620, and we think this standard quite a fair one, as the experience of the past two years proves that the amounts mined in the first quarter of the year were considerably less than in any three subsequent months. The opening of the rich Trinity mines, the operations of companies just commencing to crush the auriferous quartz, from neither of which sources have any returns of consequence been as yet received, will all add to the relative production of the months to come.

The quartz mining is as yet in its infancy. The machinery hitherto imported has not been found to answer the desired purpose, and the operations are, therefore, not as yet fairly commenced. There are several companies, however, with large capital invested, earnestly intent upon working the mines with all the appliances that science and perseverance can bring to their aid. The result of their operations will doubtless be to develop during the summer the hitherto latent riches of the quartz rock. It is probable that over one hundred veins have been discovered in different parts of the country, although not more than six or eight are now worked. Many of these beds are richer than any hitherto discovered in any portion of the world, and when fully developed, by means of capital and steam, must yield vast quantities of the precious metal. The Indian disturbances have likewise hitherto retarded mining operations. Peace being established with the border tribes, the mines will again be successfully worked.

All things considered, it is probable the yield of the California mines for the year 1851 will not fall short of SEVENTY MILLIONS OF DOLLARS, and may possibly far exceed that sum. In 1839, Mr. McCulloch estimated the entire annual produce of the American, European, and Russo-Asiatic mines at six millions of pounds sterling, or about twenty-eight millions of dollars, of the precious metals. — *San Francisco Herald.*

Men will not engage permanently in any business that is not pecuniarily beneficial to them personally; hence a banker becomes recreant to even the manufacturing and other interests that he would protect, if he so manage his bank as to make its stockholders unwilling to continue the employment of their capital in banking. — *A. B. Johnson.*

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THE FARMERS' BANK OF KENTUCKY.

New Investments in Bank Stock.

The extraordinary growth of this country within the last few years, the increase of capital, population, and business, have brought forward new schemes of public improvement and for stock investments.

In New York money is abundant on temporary loans at six per cent., and capitalists are now seeking permanent investments that will hold out the promise of seven or six per cent. for any series of years. Although New York has projected various new banking institutions, yet their surplus capital does not seem to be in the least affected or reduced. In fact the quarterly statements of their banks indicate a gradual and large increase under every head of the banking business, particularly circulation, individual deposits, stock investments, loans, and specie.

Other States have followed the example of New York. We find Virginia, Georgia, Alabama, and Ohio extending their banking systems under favorable auspices. Kentucky, too, which has lain dormant for fifteen years upon this subject, has now chartered a new banking institution, which offers a favorable channel of investment. We allude to the Farmers' Bank of Kentucky, chartered in 1850, and which has now been six months in operation. The leading features of this charter were detailed in our No. for December last, to which our readers are referred for information.

The bank has passed the following resolution, authorizing a sale of five thousand shares at par: —

Farmers' Bank of Kentucky, Frankfort, Feb. 21, 1851.

At a meeting of the Board of Directors, the following resolution was adopted:

Resolved, That W. B. Robbins, of the city of Covington, be, and he is hereby authorized and requested to procure subscriptions to the capital stock of this bank, in any of the Eastern and Middle States, at such times and places as he may deem advisable and expedient, provided the subscriptions thus to be obtained shall not exceed the sum of five hundred thousand dollars, and shall be procured before the 20th day of July next.

Attest, J. B. Temple, *Cashier*.

By virtue of this authority, Mr. Robbins is now in the city of New York for the purpose of effecting a sale of these shares at par. The terms of subscription are as follows: —

Ten per cent. at the time of subscription.
Thirty per cent. on the 15th of July, 1851.
Thirty per cent. on the 15th of August, 1851.
Thirty per cent. on the 15th of September, 1851.

Certificates of subscription duly executed by the president and cashier of the bank will be delivered when payment is made.

We take pleasure in giving publicity to this prospectus of the bank. At the time of the commencement of its business we made our readers acquainted fully with its plan, and we are confident that our Eastern capitalists will, in many cases, avail themselves of the opportunity to sub-

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scribe to the new stock. The peculiar features of the charter to which attention should be given are as follows: —

1st. *Its Permanency.* The charter is for thirty years, without any reservation by the Legislature to control or modify it.

2d. *Its Productiveness to Shareholders.* Kentucky furnishes a wide field for bank circulation, in a rich and rapidly increasing region. The State is one of the most productive of the West, sound in its banking and finance measures and prospects, and not beset with that excessive speculation which pervades other sections of the country.

The old banks of the State have been proverbially well managed by able and upright men; and their dividends have been highly satisfactory.

The Bank of Kentucky declared a regular dividend of 4 per cent. in January, 1850; 5 per cent. in July, 1850; and 4½ per cent. in January, 1851, besides extra dividends amounting to 5 per cent. during the past year, out of the Schuylkill Bank assets.

The dividends of the Northern Bank of Kentucky have been as follows: —

First year, 1836,	4 per cent.	Year 1844,	7 per cent.
Year 1837,	9 "	" 1845,	7 "
" 1838,	7½ "	" 1846,	8 "
" 1839,	9¼ "	" 1847,	8½ "
" 1840,	8½ "	" 1848,	9 "
" 1841,	8 "	" 1849,	9 "
" 1842,	6½ "	" 1850,	9 "
" 1843,	6½ "	½ year 1851,	5 "

An extra dividend was also paid in 1850 of three per cent., and in January last the undivided profits of the Northern Bank were $257,000, equivalent to eleven per cent. on its entire capital.

The three banks in operation between 1833 and 1850 had capital, &c., as follows in 1850: —

	Chartered.	*Capital.*	*Circulation.*
Bank of Kentucky,	1833	$3,700,000	$2,600,000
Northern Bank,	1834	2,250,000	2,400,000
Bank of Louisville,	1835	1,080,000	1,150,000

This aggregate of circulation is nearly equal to that of the country banks of Pennsylvania, where there is a population double that of Kentucky. This circulation, too, is not a fluctuating one. It is fully maintained from year to year, and the business community require still further additions, with a view to the promotion of its agricultural and manufacturing resources and commercial interests.

The parent Farmers' Bank is located at Frankfort, the capital of the State; the branches are located as follows: —

I. Covington, Kenton County, opposite Cincinnati. Capital allotted, $600,000. A railroad is now in course of construction between this place and Lexington, which will open a large trade with the counties of Bourbon, Harrison, and Fayette.

II. Maysville, Mason County, about 220 miles above Louisville. Capital, $400,000. This is one of the leading places for shipment of Kentucky hemp, tobacco, and corn. There is only one other bank lo-

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cated here, viz. a branch of the Bank of Kentucky, with a capital of $450,000.

III. Princeton, Caldwell County. Capital, $300,000. This town is in the southwestern portion of the State, near the Cumberland and Tennessee Rivers. This region of Kentucky exports largely, in tobacco, corn, pork, and iron, to New Orleans. Communication with that city is easy by either of the two rivers named.

IV. Henderson, in Henderson County. Capital, $250,000. This town is located on the Ohio River, about two hundred miles from its mouth, and a short distance above the mouth of the Wabash River. Henderson is the depot for the produce of the Green River country, so called; one of the most fertile portions of the West.

V. Mount Sterling, Montgomery County. Capital, $200,000. This town is a few miles only from Lexington. The chief articles of export from this and the adjoining counties are live stock and hemp, on shipments of which bills are drawn payable at New York and New Orleans.

VI. Somerset, Pulaski County. Capital, $100,000. This county borders in part upon the northern line of Tennessee, in a line directly south of Frankfort. Somerset is near the Cumberland River, and is the centre of a large and flourishing trade.

VII. Louisville. A seventh branch of the Farmers' Bank was authorized by a special act of the Legislature on the 8th of February last. The capital assigned to this branch is five hundred thousand dollars.

VIII. A branch at Russellville, Logan County, was also authorized by the original charter of the bank, provided the capital of one hundred and fifty thousand dollars be subscribed within twelve months after the commencement of business by the parent bank. Failing in this subscription by the 16th of September next, this additional branch may then, by the charter, be located at Georgetown, in Scott County, if the capital allotted be subscribed within a period of two years by citizens of that county.

We think the establishment of the Farmers' Bank of Kentucky will be highly advantageous to the agricultural, manufacturing, mechanical, and commercial interests of that great and growing State; not merely to the few counties in which the branches are located, but indirectly to the whole. The banks of Kentucky (at least those which have been in operation during the last twenty or thirty years) have been exceedingly well managed, and have enjoyed the full confidence of the Western people ever since their charters were granted. Their management has not been characterized, at any period within the last twenty years, by that unfortunate and disreputable spirit of speculation which marked the career of many of the exploded Ohio and Michigan banks. The stocks of the Kentucky banks are now worth from four to six per cent. premium in the New York and Philadelphia markets, and their notes are at par throughout the whole Mississippi Valley.

We think capitalists may rely upon a cautious and able management of the Farmers' Bank, and that its operations will be controlled by the right sort of men and by sound principles of banking, and likewise productive of eight or nine per cent. per annum in dividends. The three old banks have been enabled to maintain a circulation of nearly twelve

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millions, upon a capital of $ 7,600,000, and the aggregate of their loans last fall was $ 11,500,000. Of this last sum fully two fifths consist of bills at three to four months, drawn on consignments to New Orleans and New York. Such paper is uniformly well secured at home by good drawers and indorsers, and is still further secured by the acceptances of merchants in those cities. Such bills on New Orleans are negotiated at six per cent. interest and about one per cent. exchange, and they are made to mature at a time when Eastern funds in that city are at a discount. The profit is therefore fully twelve per cent. per annum on such negotiations. Each bill produces three separate profits; first, in the rate of exchange on New Orleans; secondly, in the discounts on New York and other Eastern time bills, in which the New Orleans funds are invested; and finally, in the premium of one half or one per cent. in Kentucky on all bank drafts drawn upon the Eastern cities.

As the time for the sale of the shares now in the hands of Mr. Robbins will expire on the 20th of July next, we urge upon our Eastern friends the necessity of early application for any shares they may wish to procure.

THE BANKING SYSTEM OF MASSACHUSETTS.

By James B. Congdon, Esq.,

Cashier of the Merchants' Bank, New Bedford.

[The following remarks appeared in a pamphlet form during the month of May, 1851, and are now reprinted in the *Bankers' Magazine*, as a valuable contribution to the banking literature of the country. The pamphlet was elicited by the debate which followed the introduction of the Free Banking Bill into the House of Representatives of Massachusetts. Mr. Congdon was at one time a member of that body, and is now considered one of the most efficient of the practical bankers of the Commonwealth. — Ed. B. M.]

To His Excellency George S. Boutwell, Governor of the Commonwealth of Massachusetts: —

Sir, — It may, in the minds of many, savor strongly of presumption for an humble individual like myself, to address, in this form, the Governor of the Commonwealth. Others may be surprised at such an exhibition of temerity as is made by an attempt, on my part, to address you, and, through you, the public, on the subject of the banking policy of the Commonwealth. A few words will dispose of both considerations. I know you too well to believe that you can possibly take offence at any well-intentioned effort to promote the welfare of the people of our beloved Commonwealth. With regard to my qualifications for thus, and for such a purpose, appearing before the public, I have only to remark, that experience, if it does not bring wisdom, can hardly fail to impart knowledge, and that the knowledge of the simple may aid the deliberations of the wise. Without further preface or apology, I shall proceed to address

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to your Excellency a few remarks in relation to the banking system of Massachusetts, and the questions connected with it now before the legislature.

Two questions are now presented for the decision of the legislature : —

1st. Shall the banking capital of the Commonwealth be increased ?

2. Shall the fundamental policy of the Commonwealth, in relation to banks and banking, be changed ?

In a few remarks which I propose to address to you, in relation to these questions, I shall reverse their order.

I am decidedly of opinion, that, at this time, any attempt at a radical change in our banking system would be attended with difficulty and danger. Theoretically our system is not perfect; but its practical operation has been such as to render it the duty of a thoughtful and sagacious legislator to hesitate long before he favors a proposition for a change. It is as much the part of wise and prudent legislation to sustain what experience has proved to be useful, as to change what has been found to be hurtful. And when a change is proposed, the evil which change alone is likely to produce should always be kept in view.

I take it for granted that we are to continue to have a paper currency, directly or indirectly, created and controlled by the State government. This currency has hitherto been supplied by the banks chartered by the State; and it should be borne in mind, that, in principle, this is the only circumstance that justifies that constant and minute interference with the concerns of the banks that the legislature has always exercised.

Bankers are not necessarily currency makers. This is an important fact, but one too much lost sight of. The radical idea of a bank does not include the issue of paper money. To be a banker, and to furnish a currency for the convenience of the community, are vocations wholly distinct, and this distinction should be clearly borne in mind. Sir Robert Peel, the most sagacious and skilful of modern financiers, clearly saw this important distinction; and in the present charter of the Bank of England, which was renewed under his administration, he made that distinction apparent and practical by a separation, perfect and entire, of the banking and issue departments of the institution.

Keeping this principle in view, let us briefly examine the present position of the banking interest of the Commonwealth, as it regards its connection with the State government. It is presented to us under two general aspects.

The banks are the agents of the government, to furnish a currency for the people.

The government has acted upon the principle that the people, through the government, shall have the advantage arising from the use of a paper currency.

Volumes could be written upon each of these two propositions, but I must confine myself to such remarks as seem to be called for by the present position of this subject in the legislature.

Have the banks of Massachusetts furnished a sound currency; and is it probable, that, under the control of existing laws and the influence of the present monetary arrangements of the State, they will continue to do so ?

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If, during the last twenty years, the period during which the charters now about to expire have existed, a sound currency has been secured, is it the part of wisdom to change the laws, and overturn the arrangements, by which this result has been produced? The charters of the banks have been renewed. If the laws by which they are constituted the agents of the people to provide a currency, and by which their faithfulness in the discharge of the duties of such agency is secured, remain unchanged, there is every reason to believe that the currency of Massachusetts will be for the next twenty years what it has been for the twenty years past, as perfect as any in existence, — as perfect as in the nature of things it can be. No reasonable man, no practical man, no man who is not bound hand and foot in the fetters of mere theory, can desire for the people a currency better adapted to meet all the circumstances of a business community, than that which has been furnished by the banks of Massachusetts for the last quarter of a century. I make this statement without forgetting the fact, that our banks, for a short period, suspended specie payments. Nothing has ever occurred, that, to my mind, so conclusively proved the soundness of our paper currency, as that suspension. That such a deep and wide-spread commercial convulsion as that of 1837 should result in a suspension, could surprise no one; that it continued but for a few months, and that, while it did continue, the paper money of the State was so little depreciated in value as hardly to be noticed, causing neither inconvenience nor loss, demonstrated, beyond all question, the soundness of the basis upon which it rested, and the wisdom of the laws by which it had been originated and controlled.

Neither would I keep out of sight the fact, that there is in existence a small amount of Massachusetts bank-notes which have not been, and will not be, redeemed. But this amount is too trifling to affect the argument. The Suffolk Bank redeems, *every day*, four times the amount of bank-notes issued by Massachusetts banks within the last twenty-five years, which are considered valueless. I have not the facts before me, but I feel confident that I should run no risk in offering to redeem the whole, if the legislature would allow me the amount last year paid into the treasury for the tax upon the banking capital of the State.

My limits will not permit me even to name, much less to examine, the various arrangements, legal and conventional, by the agency of which the people of this State have had secured to them the blessing of a sound currency. So wise are the provisions of the law, so severe the penalty for its violation, by a failure on the part of a bank to redeem its issues, that it is almost impossible for any one to suffer loss by holding the notes of a Massachusetts bank. So well satisfied are the people of this fact, such entire confidence have they in the sound, healthful, and readily convertible character of the issues of our banks, that they ask for no change; and it would, I am confident, be difficult to find within our limits a single individual, however heavy the amount of bills he may have occasion to take, who would be willing to give five dollars a year to be secured against all loss by the failure on the part of a Massachusetts bank to redeem its bills. I do not say that all our laws in relation to banks and banking are perfect; I am not prepared to say that a better system could

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not be devised; but, disregarding all considerations not connected with the currency, I take the ground that the laws of the State, aided in their execution by those voluntary arrangements which are a marked and interesting feature in our monetary affairs, are as well calculated for sustaining a safe, sound, and healthful circulation, as any plan of operation ever adopted. The paper money of Massachusetts is safe, pure, readily convertible into specie, at par, throughout all New England, and current in a large portion of the country. Let us then sustain the regulations by which a result of such incalculable advantage is secured to us. Thus have we, through the agency of the banks, and under the direction and control of the laws, a paper currency suited to the wants of the people, and with which the people are content.

But the people of Massachusetts require more than this. They are not satisfied with a knowledge of the fact that they have a currency which they know to be perfectly safe, and which, for all practical purposes, is better than gold or silver. They have decided, that the direct, as well as the indirect, advantages of a paper circulation shall accrue to them.

This leads me to the consideration of the second distinctive feature of the banking interest of the State, in its connection with the government. This is, the tax imposed by the State upon the banking capital. This tax is one per cent. upon the capital, and amounted last year to nearly *four hundred thousand dollars.* It is from this source that the expenses of the State government are paid. It is by this that the people are exempted from being called upon to contribute, in the shape of a State tax, to the support of the government. It is in this way that the people have secured to themselves the direct benefit of the use of a paper rather than a metallic currency.

And the people are right. The principle upon which this tax is founded is a sound one. The banking capital is taxed, and the proceeds of the tax are appropriated to the use of the people, not because capital thus devoted is a proper subject of taxation, but because the people claim the right to secure to themselves the profit arising from the substitute for a metallic circulation which they are content to use. This fact should be clearly apprehended, and deeply pondered. A banker's capital, employed by him in discounting bills and notes, can with no more propriety be singled out as a proper subject for direct taxation than a ship or a wharf. But when the banker increases his capital by issuing his promises to pay, and those promises are received and circulated without the payment of interest, then the people by whom they are received and circulated claim the right to share the benefit. It should not be thought that when the legislature charters a bank, and receives a tax of one per cent. upon its capital for the use of the people, that it is selling a privilege, much less licensing an evil. The act is one by which provision is made for a currency for the people, and measures taken to secure to them the direct as well as indirect advantages of the arrangement. I am inclined to think that this subject has not been correctly understood. Many have looked upon the bank tax as an arbitrary imposition, having no foundation in principle, and incapable of being sustained, when ex-

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amined in the light of justice and equity. I view it otherwise. It is true that a plan by which *circulation*, and not *capital*, should form the basis of the tax, would be more equitable and more in harmony with the principle upon which the right to impose the tax is founded. Practically, however, the operation of the tax is not very unequal, although the advantage is manifestly on the side of the smaller institutions. The difficulties which would attend the formation of any plan for taxing bank circulation, rather than capital, render a change inexpedient.

Such is a brief view of the second distinctive feature in the general banking policy of the State.

With these remarks, I shall conclude what I have to say in relation to the second of the two questions proposed. I have endeavored to show that it was because of their being charged with the agency of providing a currency, and from this cause alone, that the banks were placed so directly and intimately under the control of the government; and that the duties of this agency have been performed in a manner satisfactory to the people, and beneficial to the State.

I have spoken of the tax, and endeavored to explain and defend the principle upon which it is founded. Allow me, again, to call your attention to the proposition, that the business of banking, disconnected from the currency-making power, can with no more propriety be made the subject of legislative interference than any other business in which the citizens of the Commonwealth may think proper to engage. Any man, or any number of men, individuals or associations, have the same right to change their money into promissory notes or bills of exchange, as they have, singly or unitedly, to fit out a whale ship or establish a cotton factory. There is nothing in the mere act of giving the present value of a bill payable at some future day, or in receiving the money of those who do not think it safe, or cannot make it convenient, to take care of it themselves, with the promise to restore it when called for, that renders the interference of the legislature necessary or justifiable. But, when the banker is made the agent of the government, to discharge a duty so important and so imperative as that of providing a currency for the people; when he becomes the recipient (to some extent) of an attribute of sovereignty, by providing for the people a standard for the valuation of their property, a convenient instrument for the transaction of business, and a safe representative of a metallic coinage; then his relation to the state assumes a new and important aspect; and it becomes the duty of the legislature to do every thing in its power to insure a faithful performance of the trust. His connection with the state has become in the highest degree intimate and confidential. He has placed himself in a position which warrants and demands, on the part of the representatives of the people, the exercise of a minute scrutiny and a constant watchfulness. Into such a position have the banks of Massachusetts been placed by receiving and exercising this currency-making power. They have discharged the trust with fidelity. Aided by the informing and restraining operation of wise and prudent legislation, they have provided a sound currency for the people; and, as faithful agents, have paid into the people's treasury, under their present charters, between *six and seven*

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millions of dollars, as the people's share of the business they have transacted.

Such, then, has been the banking policy of Massachusetts, and such its results. The world may be challenged to exhibit a system in which the rights of the people have been more carefully secured, or the wants of the people more fully provided for. Are we prepared to abandon a system which the experience of a quarter of a century has stamped with the impress of usefulness and safety?

Permit me, as a fitting close to this branch of my subject, to use the words of a distinguished British writer, when called upon to defend the banking system of Scotland against certain charges proposed by the Imperial Parliament.

"I would not," says Sir Walter Scott, "cling tenaciously by antiquated pretensions which may obstruct the general welfare; but I deprecate that sort of change which is made for the mere sake of innovation. Seasonable improvements are like the timely and regular showers, which, falling softly and silently upon the earth, when fittest to be received, awaken its powers of fertility. Hasty innovation is like the headlong hurricane, which may, indeed, be followed by beneficial consequences, but is, in its commencement and immediate progress, attended by terror, tumult, and distress."

"This is, indeed," continues Sir Walter, (and the remark is as applicable now as it could have been when uttered,) "a period when change of every kind is boldly urged and ingeniously supported, nay, finds support in its very singularity; as the wildest doctrines of enthusiasm have been often pleaded with most eloquence and adopted with most zeal. We are at such a speculative period obliged to be cautious in adopting measures which are supported only by speculative argument.

"I have read of two architects, who contended before the people at Athens which should be intrusted with the task of erecting a temple. The first made a luminous oration, showing that he was, in theory at least, master of his art, and spoke with such glibness in the hard terms of architecture, that the assembly could scarce be prevailed on to listen to his opponent, an old man of unpretending appearance. But when he obtained an audience, he said, in a few words, 'All this young man can talk of, I have DONE.' The decision was unanimously in favor of experience against theory."

I may be permitted to express the hope and the belief, that when the issue is presented to the legislature between experience and theory, that the decision will be as it was in Athens, in favor of that system which has not only been talked about, but which has been DONE.

Shall the banking capital of the State be increased? is the other question which I have proposed to consider. I need not detain your Excellency long with the discussion of this question.

May I be permitted to request you, should you honor these pages by a perusal, to bear in mind the principles which, after a most imperfect manner, I have endeavored to set forth. Looking at the applications for an increase of capital now before the legislature, in the light of those general principles, which, in my opinion, should regulate all legislative

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action upon questions of this nature, I can see no good reason why they should not be granted.

Let us suppose, for a moment, that the subject of the currency was in no way connected with this question. Let us suppose that the only result of adding to the capital of these several banks would be an increase of their loans to a corresponding amount, and a payment into the State treasury of one per centum annually upon the additional capital created. Could there be any objection to the proposed increase under such circumstances? It appears to me, that it would be as reasonable and as wise, to object to the addition of another ship to the New Bedford whaling fleet. If the stockholders of these banks choose to add to the amount they have already invested in this way, or any persons not now stockholders, are desirous of putting their surplus capital into such a form that they can have it managed for them instead of managing it themselves, I can see no reason why the request should be denied. With all due deference to the better wisdom of the legislature, I must be allowed to say, that, as I view this subject, no well-settled principle of political or banking economy, no judicious maxim of trade or commerce, would be violated by allowing these petitioners to give to their surplus capital the convenient, although not profitable, form of bank stock.

Let us now take another view of this subject. The several banks whose stockholders have asked the privilege of adding to their investments, are now possessed of the power to issue a paper currency, and are at this moment debtors to the people who are holders of their bills for the amount they are enabled to keep in circulation. It is in this connection that the question becomes one of importance, and one to which it is the duty of a faithful representative of the people to give a careful examination.

Now, what bearing has this question of increase upon the subject of the currency? We have seen, that the right and the duty of the legislature to regulate and control the operations of the banks are derived from the connection existing between them and the circulating medium. That is to be kept safe and healthful. In what way will the currency be affected by adding to the capital of the banks which have applied to the legislature for that purpose? It may be, possibly, in a small degree increased. A small number of the banks may obtain a trifling increase of circulation by the increase of capital. But in the majority of the cases no such result will follow; and in no case will the increase of circulation amount to any thing approaching the proportion allowed by the law. If, then, the increase of circulation, or, to state the same thing in another form, the indebtedness of the bank to the people, is not to be increased by an enlargement of their several capitals; or if the amount of such increase shall be but a small fraction of the amount added to the existing capital; then it seems to be the duty of an honest and sagacious legislator, having in view the interest of the people, as holders of the notes issued by these banks, to grant the request by which such a large amount of additional security is obtained. Permit me to illustrate this by an example: — A bank with a capital of one hundred thousand dollars has a circulation of the same amount. The stockholders obtain

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the privilege of increasing their capital stock in the sum of one hundred thousand dollars, making it two hundred thousand. If the circulation is not increased, the amount of the security is doubled. There are now two dollars held answerable for the redemption of the circulation where there was one before. Is there not wisdom in that legislation by which such a result is obtained? It is almost in every case safe, and rarely otherwise than expedient, to allow the capital of an existing bank to be increased. It is taking from the stockholders an additional pledge for the faithful performance of their promises to the public.

Permit me, as a further and more practical illustration, to present to your notice a real, and not a supposed, state of things. The stockholders of the banking institution with which I am connected, and whose cashier I have been for more than a quarter of a century, have asked the legislature to allow them to add two hundred thousand dollars to their investment. The affairs of this bank are well known to your Excellency, and you were pleased, when you visited it, to bestow upon its condition and management the gratifying and valuable declaration of your approbation. It now has a capital of four hundred thousand dollars. It has a circulation of about two hundred thousand, although the average issue is very much below that amount. The stockholders ask the legislature to allow them to pay in two hundred thousand dollars more, with an entire conviction on their minds that the circulation will not be, and cannot be, increased a single dollar. The whole amount that the capital would be increased would be added to the security already existing for the faithful performance of its unextended engagements. The increase now proposed is, of itself, equal to the whole amount that the bank ever has been, or ever can be, indebted to the public as holders of its bills. Looking at this application, then, in the restricted, and, as I have stated and endeavored to prove, the only important view in which it is presented to the General Court, would it not be an act of sagacious legislation to grant the request?

The same remarks may be applied to all the applications from New Bedford for liberty to add to the existing banking capital of the city. The petitioners desire to be allowed, not to add to their obligations to the public, but simply to place a further amount of funds where they have already invested a portion of their capital. Should their requests be granted, the petitioners will be content with the simple interest upon their investments; the holders of their bills will have the benefit of the additional security; the annual receipts into the treasury of the Commonwealth will be increased in the sum of six thousand dollars; and the capital of the city, instead of being sent from among us to assist in carrying forward the operations of others, will be retained at home, and more legitimately and profitably employed, under our own direction and management, in fostering and sustaining the industry and enterprise of our own citizens.

With sentiments of the highest regard,

I am, my dear Sir, your friend and fellow-citizen,

JAMES B. CONGDON.

New Bedford, May 5, 1851.

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NOTE. — The foregoing was prepared and in the hands of the printer, before the writer had seen the bill introduced by Mr. Frothingham. He considers the bill, in its present shape, extremely objectionable, and calculated, if it should become a law, to have an unfortunate effect upon the currency of the State. At this moment, the issues of the New York banks, organized under such a law, are at half of one per cent discount at the metropolis of the State. Under it banks are established, and bills issued, not for the accommodation of the public, but that individuals may obtain the means for speculation by crowding out their bills, and enriching themselves by buying them up at a large discount. No measure of this kind should be adopted without making it applicable to all the banks of the State; and it is thought that the legislature will hesitate before they enact a law by which a part of our currency shall be based upon one kind of security, and part of it upon another.

FREE BANKING.

From the New Orleans "Bee," March, 1851.

WE presume that the utility of banking facilities will not be gainsaid. It may be announced as an incontrovertible postulate, that the commerce of a large city cannot be adequately sustained without such aid. Credit is the chief aliment of trade. No important operation is transacted in the present age without this great lever of commerce. Credit — wisely, soberly, and judiciously employed — is the stimulus to enterprise, the patron of honest industry, the genial and constant friend of integrity, skill, perseverance, and sagacity. As the dispenser of credit, banks, in some shape or other, have been found the most potent auxiliaries, and the result of all experience goes to show that the wisest legislation is not that which destroys and annihilates the source of credit, but that which purifies it, confines it within legitimate limits, and protects the community alike from its excesses and its selfish and partial distribution. This much being admitted, the question arises, What is the safest, most equitable, and most solvent system by which this leading principle of credit may be maintained without exposing the community to those calamitous revolutions which have so often supervened from an iniquitous administration of the monetary power of the country? We answer, *Free Banking!* The soundness of the system has been already demonstrated. It has been shown, that while in theory free banking offers the most satisfactory and most numerous guarantees, in practice it has worked admirably, affording healthy support to business, enlarging credit, sustaining and nourishing commerce, and adding materially to the substantial wealth and resources of those commonwealths in which it has been adopted.

While, however, free banking is recommended by so many general arguments in its favor, there are peculiar circumstances which render its application to Louisiana indispensable to her continued prosperity. Under the constitution of the State no banking corporation can be hereafter chartered. This provision was passed at a time when the minds of men were filled with an unhealthy excitement on the subject; when the

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pernicious administration of several of our own banks, and particularly of that festering mass of corruption, the United States Bank of Pennsylvania, had wrought so much mischief, and created so vast an amount of misery and suffering, that it was deemed better to dispense altogether with chartered banks, than to incur the danger of the recurrence of such formidable evils. The convention may have acted with undue precipitation. It may have failed adequately to discriminate between the use and abuse of a principle. But we are not called upon to pass judgment upon its acts. We have to deal with them as they exist. The constitution inhibition is in full force. Under it already several banks have, at the expiration of their charters, wound up their affairs, and their paper is no longer seen. There are now but three banks in active operation, viz. the Louisiana State Bank, Canal Bank, and Mechanics and Traders' Bank. The charters of all these institutions will expire within a certain number of years. We shall then be left without any incorporated banks whatever. It is almost idle to expect that the people will sanction the abrogation of the constitutional prohibition of banks; yet the absolute necessities of business will call imperiously for a paper circulation. What will be the consequences? Private banking-houses will be established, and the community will be flooded with irresponsible shinplasters. In the multiplicity of such emissions, wise discrimination will become difficult, if not impossible. To-day Mr. A. issues his promise to pay; to-morrow Mr. B. does the same; Messrs. C. D. E., and so on, follow suit. Some of these private bankers are honest and reliable men; others base their circulation on a shadowy capital, and trust to good luck and Providence for their profits. The citizens are perhaps at first chary of receiving paper, but, with the natural confidence that a few months of trial without mischief is apt to engender, they gradually take it and circulate it from hand to hand. Now, what sort of a currency would this be? What element of security would it embrace? Would not one half of it be intrinsically worthless, and liable to depreciation at the first revulsion in trade? Would it command out of the State any thing like the value announced on its face? Of course not. As a local circulation it would be uncertain and dangerous, and beyond the boundary line of Louisiana it would, for all practical purposes, be worth nothing.

There is but one sure plan for avoiding the host of evils that would inevitably result, and that is by tendering to the people of the State a system of banking that combines the highest efficiency with the most undoubted responsibility. Free banking offers every assurance of safety. It would supply the wants of trade, afford well-timed and moderate credit, protect note-holders from all possibility of loss, and, in short, accomplish all that banks upon the old basis were wont to do, and this too without exposure to fatal explosions, or the more insidious perils of monopoly and favoritism. Let the people be enlightened in regard to the merits of free banking. Let its excellent features be explained to them, let them learn all that it has effected elsewhere, and we hazard little in predicting that they will cheerfully amend the State Constitution so as to allow its introduction into Louisiana.

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THE NEW YORK BANK DEPARTMENT.

An Act to organize a Bank Department, passed April 10, 1851.

§ 1. THERE is hereby established a separate and distinct department, which shall be charged with the execution of the laws heretofore passed, or that may be hereafter passed, in relation to the banks which are subject to the act to create a fund for the benefit of the creditors of certain moneyed corporations, and for other purposes, passed April 2, 1829, or in relation to banking associations and individual bankers, formed or transacting business under the act to authorize the business of banking, passed April 18, 1838, and the several acts in addition to, or amendatory thereof.

§ 2. The chief officer of the said department shall be denominated the superintendent of the banking department. He shall be appointed by the governor, by and with the advice and consent of the Senate, and shall hold his office for the term of three years; he shall receive an annual salary of two thousand five hundred dollars, to be paid quarterly in the first instance out of the treasury, on the warrant of the comptroller; he shall employ from time to time the necessary clerks, to discharge such duties as he shall assign them, whose compensation shall be paid to them monthly on his certificate, and upon the warrant of the comptroller in the first instance, out of the treasury; he shall appoint one of the said clerks to be his deputy, who shall possess the powers and perform the duties attached by law to the office of the principal during a vacancy in such office, and during the absence or inability of his principal. Within fifteen days from the time of notice of their appointments respectively, the superintendent and his deputy shall take and subscribe the oath of office prescribed by the constitution, and file the same in the office of the secretary of state; and the said officers shall be in all respects subject to the provisions of the sixth title of chapter five of the first part of the Revised Statutes, so far as the same may be applicable. And the said superintendent of the banking department shall give to the people of this State a bond, in the penalty of fifty thousand dollars, with two sureties, to be approved by the comptroller and treasurer of this State, conditioned for the faithful discharge of the duties of his office; and the said superintendent shall not, either directly or indirectly, be interested in any bank or banking association, or as an individual banker.

§ 3. The superintendent of the banking department shall possess all the powers, perform all the duties, and be subject to all the obligations and penalties now conferred by law upon the comptroller of this State, or to which the comptroller is subject in relation to banks incorporated and banking associations formed, and bankers transacting business under the laws specified in the first section of this act; and the said laws, and all acts amendatory thereof, or in addition thereto, are hereby modified and amended, so that every power and duty thereby conferred on the comptroller shall, from and after the appointment of such superintend-

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ent, be transferred to and conferred upon the said superintendent, subject to the modifications contained in this act.

§ 4. The said superintendent, with the approval of the governor, shall devise a seal with suitable inscriptions for his office; a description of which, with a certificate of approval by the governor, shall be filed in the office of the secretary of state, with an impression thereof, which shall thereupon be and become the seal of office of the superintendent of the banking department; and the same may be renewed whenever necessary. Every certificate, assignment, and conveyance, executed by the said superintendent in pursuance of any authority conferred on him by law, and sealed with his said seal of office, shall be received in evidence, and may be recorded in the proper recording offices, in the same manner, and with the like effect, as a deed regularly acknowledged or proved before an officer authorized by law to take the proof or acknowledgment of deeds; and all copies of papers in the office of the said superintendent, certified by him, and authenticated by the said seal, shall in all cases be evidence equally, and in like manner as the original. An impression of such seal directly on paper shall be as valid as if made on a wafer or wax.

§ 5. All plates for bank-bills deposited with the comptroller, all paper for bills, all securities, stocks, bonds, and mortgages, and all other papers whatever in the comptroller's office, relating to the business of the banking department, shall, on demand, be delivered and transferred to the superintendent thereof, and be and remain in his charge and custody.

§ 6. There shall be assigned to the said superintendent, by the trustees of the State Hall, suitable rooms therein for conducting the business of said department; and the said superintendent shall from time to time furnish the necessary furniture, stationery, fuel, lights, and other proper conveniences for the transaction of the said business; the expense of which shall be paid on the certificate of the superintendent and the warrant of the comptroller, in the first instance, out of the treasury.

§ 7. All the expenses incurred in and about the conducting the business of the said department, including the salary of said superintendent and his clerks, shall be defrayed and paid by the incorporated banks, banking associations, and bankers, in whose behalf they are incurred. The expenses incurred, and services performed, specially for any incorporated bank, banking association, or banker, including the delivery of new bank-bills for such as may be returned, and the destruction of the latter, shall be charged to such incorporated bank, banking association, or banker; and all other expenses of the said department shall be charged to the said incorporated banks, banking associations, or bankers, in such proportions as the said superintendent shall deem just and reasonable. If such charges are not paid after due notice, the superintendent may apply the dividends on any stock, or the interest on any bonds and mortgages in his hands deposited by the bank, banking association, or banker, so neglecting to make the payment of such charges, with interest at the rate of seven per cent.; and the moneys so received by the said superintendent on account of such charges shall be deposit-

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ed and paid by him into the treasury of the State, to reimburse all sums advanced from the treasury for such expenses; and in case of there being no stocks, bonds, or mortgages in the bank department, deposited by such bank, association, or banker, then the said superintendent may maintain an action in his name of office against the delinquent bank, association, or banker, for the recovery of such charges; and the sums collected therein shall be paid into the treasury, and neither the said superintendent, nor any clerk or person employed in his office, shall take or receive, directly or indirectly, any compensation or pay for any services or extra services, rendered in the banking department, other than the compensation allowed by law; and any person violating this provision shall be deemed guilty of a misdemeanor.

§ 8. The provisions of the fourteenth section of the "Act to authorize the business of banking, passed April 18, 1838," are hereby extended to the said superintendent, and the officers and clerks employed in the bank department.

§ 9. Instead of the comptroller, secretary of state, and treasurer, it shall be the duty of the superintendent of the bank department to fix upon, and determine a day in respect to which the reports of incorporated banks, banking associations, and individual bankers, shall be made, as provided in chapter 419 of the session laws of 1847; and the said superintendent shall, at least once in each quarter of a year, fix and designate some Saturday in each preceding quarter, in respect to which the said reports shall be made, and shall give notice thereof in the manner prescribed in the said chapter 419; and the said reports shall be made to the said superintendent, as directed in the said chapter; and all wilful false swearing in respect to such reports shall be deemed perjury, and subject to the punishment prescribed by law for that offence. In case of neglect to make such report within one month from the time required, it shall be the duty of the superintendent to cause the books, papers, and affairs of the bank, association, or banker, so neglecting, to be examined, as directed by the third section of the said chapter 419; and the reasonable expenses of such examination, to be certified by the said superintendent, shall be charged to the bank association or banker so neglecting, and shall be collected in the manner herein prescribed in respect to other charges against them.

§ 10. The provisions of the second section of the act, chapter 340 of the laws of 1848, amending the "Act authorizing the business of banking," shall extend and be applicable to banking associations and individual bankers, organized before the passage of the said chapter 340, as well as to those organized subsequently; but no one mortgage of lands shall hereafter be received as security for circulating bills to an amount greater than five thousand dollars; and any mortgage heretofore received, or hereafter received, for circulating bills, may be held by the superintendent of the banking department for the full nominal amount thereof, notwithstanding a less amount of bills may have been or shall be delivered upon the deposit of such mortgage; and the whole nominal amount of such mortgage may be collected by any purchaser thereof, in case it shall be necessary to sell such mortgage at its nom-

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inal amount to meet the liabilities of the banking association, or banker, by whom it was deposited; but the same may be sold as for the amount of bills delivered upon its deposit, when there is no deficiency of other means to meet the said liabilities.

§ 11. It shall be the duty of the superintendent of the banking department to report annually to the legislature, at the commencement of its first session, —

1st. A summary of the state and condition of every incorporated bank, banking association, and individual banker, from whom reports have been received the preceding year, at the several dates to which such reports refer, with an abstract of the whole amount of banking capital returned by them, of the whole amount of their debts and liabilities, specifying particularly the amount of circulating notes outstanding, and the total amount of means and resources, specifying the amount of specie held by them at the time of their several returns, and such other information in relation to said banks, associations, and bankers, as in his judgment may be useful;

2d. A statement of the banking association and bankers, whose business has been closed during the year, with the amount of their circulation redeemed, and the rate of such redemption per cent., and the amount outstanding;

3d. To suggest any amendment to the laws relative to banking, by which the system may be improved, and the security of bill-holders and depositors may be increased;

4th. To report the names and compensation of the clerks employed by him, and the whole amount of expenses of the department during the year, and the amount of any for which the treasury shall be in advance. Such report shall be made by or before the last day of the year; and the usual number of copies for the use of the legislature, and two hundred and fifty copies for the use of the department, shall be printed in readiness for distribution on the meeting of the legislature, by the printer employed to print legislative documents, the expense of which shall be charged among the general expenses of the department, and collected as herein provided.

§ 12. This act shall take effect immediately.

Note. — The above law was passed at the suggestion of Governor Hunt (late Comptroller) of New York, in his Annual Report, viz.: —

"Our circulating medium is believed to be in a sound condition. The report from the Bank Department exhibits a large increase of banking capital under the general law, during the last year. The gradual reduction of our State debt makes it necessary that some other form of security should be accepted as a basis for circulation. I would respectfully recommend the admission, under proper restrictions, of the stocks created by the incorporated cities of this State. In this connection I must invite your attention to the provision of the Constitution making it the duty of the Legislature to restrict the powers of cities in respect to taxation, assessment, borrowing money, contracting debts, and loaning their credit. The performance of this duty ought not to be longer deferred.

"The growing importance of the Bank Department, the vast extent of its operations, and the peculiar responsibility attending them, render it important, in my judgment, that this department should be detached from the office of the Comptroller, already overburdened with duties, and erected into a distinct office, to be placed under the charge and direction of a competent commissioner."

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BANK-NOTE REDEMPTION LAW.

An Act to amend the several Acts relating to Incorporated Banking Associations and Individual Bankers.

§ 1. Section one of the act relating to the redemption of bank-notes, passed May 4th, 1840, is hereby amended so as to read as follows: —

"§ 1. Every moneyed incorporation in this State having banking powers, and issuing bills or notes of circulation; and every banking association and individual banker, carrying on banking business under the act to authorize the business of banking, except those whose place of business is in the cities of New York, Albany, Brooklyn, or Troy, shall, on or before the first day of July next, appoint an agent who shall keep an office in the city of New York, Albany, or Troy, for the redemption of all circulating notes issued by said corporation, banking association, or individual banker, which shall be presented to such agent for payment or redemption."

§ 2. Section four of the said act is hereby amended so as to read as follows: —

"§ 4. It shall be the duty of every such corporation, banking association, and individual banker, out of the cities of New York, Albany, Brooklyn, and Troy, to redeem and pay on demand all circulating notes issued by such corporation, banking association, or individual banker, presented for redemption or payment at the office of their said agent, in the city of New York, Albany, or Troy, at a rate of discount not exceeding one quarter of one per cent."

§ 3. Whenever an action shall be brought against any incorporated bank, banking association, or individual banker, for the recovery of the amount due on any circulating note or notes registered in the comptroller's office, the payment of which shall have been demanded at the banking-house or usual place of business of the defendant, if it shall appear on the trial or otherwise, to the court in which such suit is brought, that, at the time such demand of payment was made, the defendant offered in payment the circulating note or notes issued by any bank, association, or banker, other than the defendant, which were at the time at par in the city of New York, Albany, or Troy, or a draft or drafts on any bank, association, or banker in the city of New York, Albany, or Troy, or either of the same, for the amount of the circulating note or notes so presented, with an affidavit, if required, that such draft or drafts is or are available to their full amount, to insure the immediate payment thereof on presentation, or in case any action shall be commenced upon such note or notes before the expiration of fifteen days from the time of the first demand thereof, as above mentioned; and provided such bank, association, or individual banker shall be ready and prepared to redeem such note or notes in the lawful money of the United States, at the counter or ordinary place of business of such bank, association, or banker, at the expiration of said fifteen days from the time of the first

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demand thereof, with interest, then in either case the plaintiff in such action shall not recover any costs, fees, or disbursements whatever against the defendants, and shall be entitled to recover no more than seven per cent. interest, in lieu of all damages for the non-payment of the said circulating note or notes; but no interest shall be recovered upon such note or notes in any action, unless the plaintiff or holder thereof shall have again presented the same for payment, at the banking-house or ordinary place of business of such defendant, on or after the fifteenth day after such first demand and before the twentieth day, and the defendant shall have neglected and refused to pay the same with interest to that time, as aforesaid. And if such bank, association, or banker, at the time of the first presentation of said circulating note or notes, shall have offered to pay current bank notes or drafts, or both, or either, in the manner above provided, and shall at the time of the second presentation pay or tender the amount of such note or notes thus demanded, in the lawful money of the United States, at their banking-house or ordinary place of business, then such bank, association, or banker shall not be deemed to have suspended or refused specie payment, within the meaning of any statutes authorizing proceedings for the dissolution of the charter of such bank, or authorizing proceedings to restrain or enjoin the ordinary business of such bank, association, or banker; nor shall such bank, association, or banker, in such case, be liable to any other or greater damages for the non-payment of such circulating note or notes, than as above provided, any provision in the charter of any bank, or any other statute, to the contrary notwithstanding.

§ 4. The fourth section of chapter two hundred and sixty of the laws of eighteen hundred and thirty-eight, as amended by the first section of chapter forty-six of the laws of eighteen hundred and forty-one is hereby further amended so that it shall read as follows: — In case the maker or makers of any such circulating note or notes, countersigned and registered as aforesaid, shall, at any time hereafter on lawful demand during the usual hours of business, between the hours of ten and three o'clock, at the place where such note or notes is or are payable, fail or refuse to redeem such note or notes in the lawful money of the United States, the holder of such note or notes making such demand, may cause the same to be protested, in one package, for non-payment, by a notary public, under his seal of office, in the usual manner, unless the president, cashier, or teller of such bank shall offer to waive demand and notice of the protest, and shall in pursuance of such offer make, sign, and deliver to the party making such demand an admission in writing, stating the time of the demand, the amount demanded, and the fact of the non-payment thereof; and the comptroller, on receiving and filing in his office such admission or protest, together with such note or notes, shall forthwith give notice in writing to the maker or makers of such note or notes, to pay the same; and if he or they shall omit to do so for fifteen days after such notice, the comptroller shall immediately thereupon (unless he shall be satisfied that there is a good and legal defence against the payment of such note or notes) give notice in the State paper, that all the circulating notes issued by such person or association

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will be redeemed out of the trust funds in his hands for that purpose; and the Comptroller shall be required to apply the said trust funds belonging to the maker or makers of such notes to the payment *pro rata* of all the circulating notes put in circulation by the maker or makers of such dishonored notes, pursuant to the provisions of this act, and adopt such measures for the payment of such notes as will in his opinion most effectually prevent loss to the holders thereof.

§ 5. The twenty-ninth section of said chapter two hundred and sixty of the laws of eighteen hundred and thirty-eight, is hereby amended so as to read as follows: —

"§ 29. Such association or individual banker shall be liable to pay the holder of every bill or note put in circulation as money, the payment of which shall have been demanded and refused, at the banking-house or usual place of business of such association or banker, damages for non-payment thereof in lieu of interest, at and after the rate of seven per cent. per annum, from the time of such refusal until the payment of such evidence of debt and damages thereon."

§ 6. Nothing contained in the third, fourth, and fifth sections of this act shall apply to cases where circulating notes registered in the Comptroller's office shall be presented for payment to the agent of any incorporated bank, banking association, or individual banker, appointed according to the provisions of chapter two hundred and two of the laws of eighteen hundred and forty, entitled, "An act relating to the redemption of bank-notes," nor to any bank, banking association, or individual banker, for whom there shall not be at the time an agent duly appointed, as prescribed in the said act; nor to banks, associations, or individual bankers, whose place of business is in either of the cities of New York, Albany, Brooklyn, or Troy.

NOTE. — The above law took effect on the 7th of May, 1851, by which the rate of redemption of bank-bills by the agents of banks, banking associations, and individual bankers is reduced to one quarter of one per cent.

The agents already appointed by banks may continue to act as such agents until changed according to law.

NEW INSURANCE LAW.

An Act in relation to all Companies transacting the business of Life Insurance within this State. Passed April 8, 1851.

§ 1. EVERY company or association transacting the business of life insurance within the State of New York, shall, on or before the first day of August, in the year one thousand eight hundred and fifty one, deposite with the Comptroller of this State the sum of fifty thousand dollars, and on or before the first of February thereafter, the further sum of fifty thousand dollars, in public stocks of the United States, or of this State, or stocks or bonds of either of the incorporated cities of this

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State; and which stocks or bonds shall be at or above par at the time of such deposit, or in bonds and mortgages on unencumbered improved real estate situate within this State, and worth at least fifty per cent. more than the amount of the mortgage thereon; and the president or agent of every company shall annex to every mortgage his affidavit that said mortgage was made and taken in good faith for money loaned by the company which he represents, to the amount therein named, and that no part thereof has been since paid or returned, and that he has reason to believe, and does believe, that the premises thereby mortgaged are worth at least fifty per cent. more than the amount of the mortgage thereon; and the Comptroller shall prescribe such regulations for ascertaining the title and value of such real estate as he may deem necessary. Provided, however, that companies or associations established, or which may commence operation in this State by agents or otherwise, subsequent to the passage of this act, shall, before obtaining the certificate required by the act to provide for the incorporation of insurance companies, passed April tenth, eighteen hundred and forty-nine, deposit with the Comptroller the sum of one hundred thousand dollars, in securities, as hereinbefore specified.

§ 2. The Comptroller shall hold said stocks, bonds, and mortgages as security for policy-holders in said companies, but shall, so long as any company so depositing shall continue solvent and shall comply with all the requisites of the laws of this State applicable to such company, permit such company to collect the interest or dividends on its bonds and mortgages or stocks so deposited, and from time to time to withdraw any of such securities on depositing with the Comptroller other like securities, stocks, or mortgages, the par value of which shall be equal to the par value of such as may be withdrawn; each mortgage so substituted to be also accompanied with an affidavit as required in the first section; and the Comptroller shall prescribe such regulations for ascertaining the title and value of the real estate covered by the mortgage so substituted, as he may deem necessary.

§ 3. It shall not be lawful for any person to act, within this State, as agent or otherwise in receiving or procuring applications for insurance in any company or association not incorporated under the laws of this State, until he has procured a certificate from the Comptroller that the company or association for which he acts has complied with all the provisions of this act; and for every certificate so obtained, the sum of three dollars shall be paid to the Comptroller.

§ 4. Every company or corporation organized under the laws of sister States or foreign governments, and transacting the business of life insurance in this State, shall, within three months after the passage of this act, and on or before the first day of February in each year thereafter, furnish to the Comptroller, and shall also publish in the State paper, daily for two weeks, a statement, verified by the oath of their president or principal officer, and a majority of their directors or trustees, showing the amount of paid-up capital and accumulations of which they are possessed, and specifying the securities in which they are invested, with the amount of each; the number of policies,

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and the amount of outstanding risks thereon; the several amounts received in premiums and from other sources for the current year; the amount of losses and expenses severally for the same period; the amount of claims remaining unpaid; the amount of fund reserved for re-insurance; the amount of premium notes held by the company on account of policies in force; the amount of premium notes, if any, held on account of policies upon which the risk has terminated; the whole number of policies issued or continued through their agencies in this State, the amount at risk thereon, and the gross amount of premiums received therefor in the year preceding their report; the number and amount of losses paid through their agencies during the same period.

§ 5. It shall be lawful for the Comptroller, whenever he shall deem it expedient so to do, to appoint one or more competent persons, not officers of any life insurance company doing business in this State, to examine into the affairs of any life insurance company incorporated in this State, or doing business by its agents in this State, and it shall be the duty of the officers or agents of any company doing business in this State to cause their books to be opened for the inspection of the person or persons so appointed, and otherwise to facilitate such examination so far as it may be in their power to do; and for that purpose, the Comptroller, or the person or persons so appointed by him, shall have power to examine under oath the officers and agents of any company, relative to the business of said company, and whenever the Comptroller shall deem it for the interest of the public so to do, he shall publish the result of such investigation in one or more papers in this State.

§ 6. Whenever it shall appear to the Comptroller, from examination made under his direction, that the assets are not sufficient to insure the outstanding risks of any company incorporated in this State, he shall communicate the fact to the Attorney-General, whose duty it shall then become to apply to the Supreme Court for an order requiring them to show cause why the business of such company should not be closed, and the court shall thereupon proceed to hear the allegations and proofs of the respective parties; and in case it shall appear to the satisfaction of said court, that the assets and funds of the said company are not sufficient as aforesaid, the said court shall decree a dissolution of said company, and a distribution of its effects, including the securities deposited in the hands of the Comptroller. The Supreme Court shall have power to refer the application of the Attorney-General to a referee to inquire and report upon the facts stated therein.

§ 7. Whenever it shall appear to the Comptroller, from the report of the person or persons appointed by him, that the affairs of any foreign company, as aforesaid, are in an unsound condition, he shall revoke all such certificates in behalf of such company, and shall cause a notification thereof to be published in the State paper for four weeks, and the agent of such company is, after such notice, required to discontinue the issuing of any new policy.

§ 8. When any company transacting the business of life insurance within the State of New York shall desire to relinquish its business, the Comptroller shall, on application of such company or association, under

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the oath of the president or principal officer, and secretary, give notice of such intention in the State paper at least twice a week, for six months; and after such publication he shall deliver up to such company or association the securities held by him belonging to them, on being satisfied by the exhibition of the books and papers of such company or association, and the examination aforesaid, and upon the oath of the president or principal officer and secretary of the same, that all debts and liabilities of every kind are paid and extinguished that are due or may become due upon any contract or agreement made with any citizen of this State.

§ 9. Every violation of this act shall subject the party violating to a penalty of five hundred dollars for each violation, which shall be sued for and recovered in the name of the people, by the district attorney of the county in which the company or agent or agents so violating shall be situated, and one half of the said penalty, when recovered, shall be paid into the treasury of said county, and the other half to the informer of such violation; and in case of the non-payment of such penalty, the party so offending shall be liable to imprisonment for a period not exceeding six months, in the discretion of any court having cognizance thereof.

§ 10. So much of the act passed April tenth, one thousand eight hundred and forty-nine, in relation to the incorporation of insurance companies, as is inconsistent with the provisions of this act, is hereby repealed.

State of New York, Secretary's Office. — I have compared the preceding with the original law on file in this office, and do certify that the same is a correct transcript therefrom and of the whole of the said original.

CHRISTOPHER MORGAN, *Secretary of State.*

NEW YORK SAFETY FUND LAW.

An Act to change the Time for making Payments to the Safety Fund. Passed April 17, 1851.

The People of the State of New York, represented in Senate and Assembly, do enact as follows: —

§ 1. The payment of one half of one per cent., required by the first section of chapter two hundred and forty-seven of the session laws of one thousand eight hundred and forty-two, to be made to the treasurer of this State by every moneyed corporation, on or before the first day of January next, shall be made on or before the thirty-first day of December next; and, thereafter, such payment shall be made annually, on or before the thirty-first day of December in each year, instead of on or before the first day of January in each year, as now required by said first section of said chapter two hundred and forty-seven.

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FLUCTUATIONS IN STOCKS DURING THE YEAR 1850.

Table showing the Prices of Stocks in which are the Principal Transactions in New York, at or about the close of each Month of the Year 1850.

Year 1850.	*January.*	*February.*	*March.*	*April.*	*May.*	*June.*	*July.*	*August.*	*Sept.*	*October.*	*Nov.*	*Dec.*
United States sixes, 1867,	112¼	113⅛	115⅛	118⅛	119¼	115¼	114	115⅛	117¼	117	116⅛	115⅛
United States fives, 1853,	100⅜	101⅛	101⅛	103	101¼	101⅛	101⅛	101⅛	102⅛	104⅛	104	101⅛
Ohio sixes, 1860,	105¼	108⅛	108⅛	110¼	112⅜	110	107	108⅛	108⅛	110⅜	111	110
Pennsylvania fives,	89⅜	90⅜	91⅛	97⅛	96⅛	96	93⅛	92⅛	92⅛	92⅛	93	95
Kentucky sixes,	103	103	105⅛	107	109⅛	109	104	104⅛	106⅛	106⅛	106⅛	106⅛
Indiana fives,	72⅛	80	78⅛	79⅜	80	79⅛	78	77	79⅛	79⅛	80⅛	81⅛
Erie Railroad sevens, 1868,	100⅛	102⅛	103⅛	107⅛	109	106	108⅛	107⅜	107⅛	109	106⅛	108⅝
Erie Railroad sevens, 1859,	82	86⅜	91⅜	96	98	99	102⅛	101⅜	99⅜	100⅜	102	105
Reading Railroad bonds,	. . .	65	68⅛	71⅛	71⅛	73⅜	73⅛	73⅛	80⅛	78⅛	79⅛	78⅛
Manhattan Bank,	107	108	111	111	115	116	117	113⅜	114	118⅜	118⅛	119
Mechanics' Bank, New York,	117	120	120	120	120⅜	120	122⅛	122	125	119	124	125
Bank of Commerce,	103⅜	103⅛	104⅛	107⅛	109⅜	106⅛	108⅛	108⅛	108	108⅛	109⅜	111
Bank of America,	103	106	105⅛	108	110	107⅛	108	106⅜	108⅜	112⅛	114	114
Bank of State of New York,	98⅛	99⅞	101⅛	106	103⅛	105	106	104	105	107⅛	103⅞	106⅛
Bowery Bank,	98	101	100⅛	103	99	100⅛	101⅛	102⅛	103	104	104	105
Phenix Bank,	100	99⅜	101	104	106	103⅛	104	106	104	105⅜	110	111⅛
Farmers' Trust Company,	29⅛	30⅜	38⅜	37⅜	40⅛	39⅛	41⅛	42	43⅛	47⅛	53⅛	62⅛
Canton Company,	38⅛	40⅛	47⅛	47⅜	47⅛	46⅛	45⅜	47⅛	50	56⅛	54⅛	57⅛
Morris Canal Company,	10⅛	13⅞	17⅜	15⅛	16⅛	15⅛	17	16⅛	18⅛	21	21⅛	21⅞
Utica and Schenectady Railroad,	125	125	126⅛	129	135⅜	. . .	132	139⅛	140	153⅛	155	145
Long Island Railroad,	16⅜	17	17	15	14⅛	13⅜	10⅛	12⅛	13⅛	13	12⅛	13⅜
Harlem Railroad,	50⅜	53⅞	53⅛	56⅛	59⅜	59⅛	58⅛	58⅛	62⅛	63⅛	63⅞	69⅛
Erie Railroad,	57⅛	62⅛	66⅛	74⅜	78⅜	75⅜	75⅜	74⅜	73⅜	76⅛	84	89⅜
Norwich and Worcester Railroad,	35	35⅛	45⅜	41⅛	43⅜	43	43	48⅜	54⅛	58⅛	58⅜	68⅜
Reading Railroad stock,	32⅛	36⅛	41	47⅛	48⅜	43⅜	48⅛	51	64⅜	67	72⅜	74⅛
Albany and Schenectady Railroad,	83	82	79	79⅛	82⅛	83	85	82	84	87⅛	90⅛	90⅛
New York and New Haven Railroad,	96⅜	97⅜	97⅛	100	104	107⅛	110⅛	106⅜	108	110⅛	115⅛	119
Hudson River Railroad,	64	63⅛	59⅛	62	72	70	74	73⅛	74	75	73⅞	80⅜
New Jersey Railroad,	108	108	109⅛	115	114	115	112⅛	112⅛	112⅛	. . .	119	120
Syracuse and Utica Railroad,	130	130	133	134	140	145	142	128	125	130	130	133
Stonington Railroad,	41⅛	46	44⅛	42⅛	42⅛	41	40	38	38⅛	40	41⅜	53⅞

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EXCHANGE BETWEEN ENGLAND AND THE UNITED STATES.

TABLE SHOWING THE RATE OF EXCHANGE ON ENGLAND AT NEW YORK, FOR FIRST PACKET OF EACH MONTH, FROM JAN. 1822, TO DEC. 1850.

	Jan.	*Feb.*	*March.*	*April.*	*May.*	*June.*	*July.*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*
1822	12¼	14¼	13	13	12¼	8	10	10	11	12¼	13	12¾
1823	12¼	11	11	3¼	4	6¼	5¾	7¼	6¼	7	7¼	7¾
1824	7¼	7¾	8¼	9	8¾	10	9	8¼	9¾	10	9¼	9¼
1825	9¼	10	9¼	9¼	8	5	6¾	5	7¾	10¼	9¼	9
1826	8¼	8¼	8	7¼	10	9¼	10¼	10	11	12¾	11¼ a 12	11¼
1827	11¾	10	10	10¼	10¼	11	10	10	11	11	11¼	11¼
1828	11	10¼	11¼	11	10¼	11	10¼	9¼	10¼	11¼	11	9¾
1829	8¼	8	8¼	8¼	9¾	9	8¼	9¼	9¾	9¾	9¾	9¾
1830	9¼	8¼	8¼	8	7	7	6	6¼	6¼	6	7	6¼
1831	6¼	6¼	6¼	7	9¾	7¼	10	10	10¼	10¾	10¼	10
1832	10	9¾	9¼	9¾	10¼	9¾	9¼	7	8¼	8	8	8¼
1833	8	8	8	8	8¼	8¾	8¾	8¼	8¼	7¼	7¼	5¾
1834	2	99	99¼	1	3¼	2	2¼	5	6¾	7¼	7	6
1835	7	7¼	7¼	8¾	8¾	9¼	9¼	9¾	9	9¼	9¾	9¾
1836	8¼	10	9¼	7¾	7	7	7¼	7¼	7¼	8¼	8¼	9¼
1837	7¼	9¾	8¾	11¼	11	13	18	19¾	21	14	16	14
1838	9¾ a 10	9	7¾	4¾ a 5	6¾ a 7	8	8¼	7¼	9¼	9¼	9¼	10
1839	9¼	9	8¾	9¼	8¾	9¾	9¼	9¼	9	10	9	9
1840	8	8¼	8	7¾	8	7¾	7	7	7	8¼	8¾	8¾
1841	8¼	8	8	7	7¼	8¼	8¼	8¼	9	9¾	10	9¼
1842	8¾	8¼	8¼	6¼	7¾	8	7¼	6¼ a 6¾	7¼ a 7¾	8 a 8¼	6¼	6¼
1843	5¼	5¾	6	5¾	7¼	8¼	8¾	9¼	9¼	9¼	8¼	8¼
1844	8¼	8¼	9	8¼	8	8¾	9¼	9¼	9¼	10	10	10
1845	10	10	9¾	9¾	9¼	9¾	10	10	9¼	9¾	9¼	8¼
1846	8¼	8¼	8¼	10	10	9¼	8¾	8	9¾	9¾	6	6¾
1847	5¼	6¼	5¾	4¼	6¼	7¼	6¼	6¼	7¼	9	10	10¼
1848	10¼	10¼	10	10	10¼	10¼	10	9¼	9¼	9	8¾	8¾
1849	9	8¾	8	6¼	8¼	9¼	9¼	9	10	10	10¼	9
1850	8¼	9	8¾	8¾	9¾	10	10¼	10¼	10¼	10¼	10¾	9¾

(The prices quoted are in each instance the rate charged for A 1 Bills. Good but not well known Bills usually could have been bought for a fraction less.)

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THE BALTIMORE STOCK MARKET.

A Review of the Stock Operations of the Year 1850.

From the Baltimore Price Current.

The statement on page 852 exhibits the cash prices of all the stocks sold in this market on the 15th of each and every month during the year 1850, commencing on the 15th day of January. It will be seen on inspection of the table, that stocks generally have reached the highest prices in the month of May, and that, with the exception of Baltimore and Ohio Railroad, York and Cumberland Railroad, and Baltimore and Susquehannah Railroad, there have been but slight fluctuations in prices during the year. We note the quotation of Baltimore and Ohio Railroad on the 18th January at 56½, and on the 15th October, 79¾ to 80, an advance of nearly $ 14 per share, within the space of eight or nine months. With regard to this security, the "bulls" have had the market in their own hands, and no doubt have realized largely, their brokers coming in for a full share of the spoils in the shape of commissions; the stock at present seems rather heavy, and closes to day with sales at 74¼. The "bears" are holding off, in the expectation that at the regular annual session of the City Council the expediency of selling the dividend belonging to the city may be again agitated, and that an ordinance will be passed, authorizing such sale for the benefit of tax-payers generally; they look also to the probability of a change for the worse in the money market, and that, as a large amount of this stock is said to be hypothecated, in the event of any extraordinary stringency in monetary affairs, the stock must be necessarily converted into cash. The "bulls," on the other hand, do not anticipate any such result, and are buying, in the confident hope and expectation that the money market will be abundantly supplied for a long time to come. It remains to be seen who are to be most relied upon. The "bulls," thus far, have been the gainers. In Baltimore and Susquehannah Railroad shares, as well as in York and Cumberland Railroad shares, there has been a most decided improvement. They are both in fair demand at our quotations; the shares in the former having risen from $ 21, the ruling price during the month of January, 1850, to $ 30 per share, the rate at which they are now held, and in limited parcels at that figure. The York and Cumberland is fast getting into favor, and is readily purchased at 20 to 20½ per share, cash. The facts, now established beyond doubt, that the road will be completed and ready for immediate use on the 1st of February, and that in addition to its regular business it will be entitled to nearly the whole amount of dividend that may be declared for some thirteen years to come by the Baltimore and Susquehannah Railroad, on the loan of $ 950,000 made to it by the city of Baltimore, justify the belief that the holders of this stock will be richly remunerated for their investments.

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BANK STATISTICS.

PENNSYLVANIA.

Comparative Condition of the Banks of Pennsylvania, 1847, 1848, 1849, 1850.

LIABILITIES.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1849.	*Nov.*, 1850.
Capital,	$ 21,585,760	$ 21,462,870	$ 18,478,382	$ 18,675,484
Circulation,	13,737,597	9,992,894	11,385,780	11,988,314
Bank balances,	4,338,073	3,382,418	4,024,905	5,889,691
Deposits,	15,009,370	12,845,904	15,412,236	17,719,244
Contingent fund,	1,893,329	1,435,703	1,926,523	1,737,515
Discounts,	704,560	243,350	535,454	795,120
Profit and loss,	478,998	569,480	490,270	554,536
Due the Commonwealth,	467,960	361,068	618,561	422,372
Relief circulation,	640,381	36,606	60,619	2,548
Miscellaneous,	811,047	454,027	45,756	503,280
Suspense account,	19,146	318,784	12,302	19,358
Dividends unpaid,	273,009	346,277	390,180	224,789
Total liabilities,	$ 59,959,230	$ 51,449,381	$ 53,380,968	$ 58,532,251
RESOURCES.	*Nov.*, 1847.	*Nov.*, 1848.	*Nov.*, 1849.	*Nov.*, 1850.
Bills discounted,	$ 32,152,451	$ 28,001,130	$ 32,949,260	$ 36,408,022
Specie and Treasury-notes,	7,362,659	6,801,078	6,260,741	7,212,920
Bank balances,	3,993,740	2,953,176	3,059,638	4,663,194
Bank-notes and checks,	3,060,730	2,367,118	2,874,376	2,519,620
Real estate,	1,104,375	1,158,196	1,207,961	1,008,534
Bonds, mortgages,	1,333,726	1,145,690	2,270,538	1,658,971
Stocks,	2,300,012	2,395,462	2,120,734	1,699,868
Exchange,	1,089,635	906,795	1,194,221	1,930,887
Expenses,	98,217	31,284	65,220	95,520
Post notes,	628,955	280,182	404,293	440,578
Loans,	1,949,648	1,316,436	796,591	746,932
Miscellaneous,	4,885,082	4,092,834	177,395	147,205
Total resources,	$ 59,959,230	$ 51,449,381	$ 53,380,968	$ 58,532,251

NEWLY INVENTED BANK-NOTE PAPER.—A novel kind of paper is stated to have been produced at the mills of Mr. Thomas H. Saunders, of Darenth, in Kent (England). It contains a water-mark portrait of the Queen, contrived, not as the ordinary water-mark in mere outline, hitherto used in bank-note and other paper, but so as to give the gradation of light and shade of an Indian-ink drawing, such as is seen in the porcelain pictures introduced from Germany. It is the invention of Mr. Oldham, the engineer of the Bank of England, and as its production involves many difficulties, an opinion is entertained that it may form a valuable addition to bank-note paper for the prevention of forgery. The portrait is surrounded by an appropriate wreath in water-mark of the ordinary character, but executed in a superior style, which is also the result of a novel mode of producing transparent patterns in paper of greater diversity and delicacy of design than has yet been attained. The manufacturer is preparing several specimens for the exhibitions in May, 1851.—*London Bankers' Magazine, April*, 1851.

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MISCELLANEOUS.

THE LONDON MONEY MARKET. — The bank returns for last week exhibit an increase of circulation to the extent of £878,557; public deposits diminished £4,142,768; private deposits increased £591,500; securities decreased £2,303,690; and bullion decreased £317,120; which, coming after a considerable decrease last week, must be called large. This time last year the bullion in the bank was £16,759,035; this year £13,589,536, being a decrease of £3,169,499 during the year. The circulation last year was £21,199,538; it is at this time very nearly the same, £21,039,574. The discounts, &c., this year are £2,167,130 more than they were last year. The position of the Bank and the diminution of bullion have given rise to an opinion that the rate of interest will soon be raised; indeed, it has leaked out from the "Bank Parlor" that it was decided by a majority of only *one* vote last week that the rate of interest should remain unaltered. The money market, consequent on the payment of the dividends and the temporary dulness in trade, has been very easy during the week. Very few bills were offered at 2½ per cent., which is another indication of the temporary stagnation of business. The funds improved at the beginning of the week, but yesterday they were not so firm, through fear that an increase in the rate of the bank interest would be announced to-day. The railway market has been firm and somewhat improved. The total amount raised by railway companies to the close of 1849 was as follows: —

By shares, ...	£178,412,625	6	7
By loans, ...	51,335,154	9	1
	£229,747,779	15	8

Of this amount £29,574,720 15*s.* 8*d.* was raised in 1849. — *London Correspondent National Intelligencer, April* 24.

BANK LITERATURE. — It appears, from an article in the March number of Hunt's Merchants' Magazine, that James Wm. Gilbart, Esq., the General Manager of the London and Westminster Bank, has offered a prize of one hundred pounds sterling ($500) for the best essay which shall be written in reply to the question, "In what way can any of the articles collected at the Industrial Exhibition of 1851 be rendered serviceable to the interests of Practical Banking?"

These articles, as we learn from the London Bankers' Magazine, may be architectural models, that may suggest improvements in the bank house or office; inventions by which light, heat, and ventilation may be secured, so as to promote the health and comfort of the bank clerks; discoveries in the fine arts, by which the interior of a bank may be decorated, or the bank furniture rendered more commodious; improvements in writing-paper, pens, ink, account-books, scales, letter-copying machines, or other instruments used in carrying on the business; improvements in printing and engraving, by which banks may get their notes, receipts, letters of credit, and other documents, of a better kind, at a less expense, or so as to prevent forgery; new inventions in the construction of locks, cash-boxes, and safes, which shall render property more secure against fire or thieves; and generally all articles of every kind which can be so applied as to improve, cheapen, or facilitate any of the practical operations of banking.

The Merchants' Magazine presumes "that the adjudicators will not hesitate to award the premium to the author of the best essay, irrespective of the nationality of the owner." We think, however, that the bank *literati* in England will have little to fear from competition on this side of the Atlantic, as our bankers are not very remarkable for their literary attainments.

Some years since, the president of a bank in the "Literary Emporium" of the United States, swore in a court of justice that he could not read writing. We believe, however, he was able to make certain marks on the bills of the bank over which he presided, that passed current. In some of our banking institutions it is made a point to select a man for president who can not only write his own signature, but who can read it after it is written.

Seriously, however, the writers on banking in the United States are too poor to be made presidents or directors of banks. — *Home Journal.*

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Inventions in Embryo. — We have a confident hope, however, or rather a firm belief, that long before our coal-fields are thus really exhausted, discoveries will be made, both of new motive powers and new sources of heat or caloric, which will make all future generations independent of these clumsy and dingy resources.

Motive power, we think, will probably be supplied, either directly, by such omnipresent and inexhaustible elements as electricity and galvanism, or by the employment of some gas far more elastic than steam, and capable of being called into action and again condensed by slight mechanical impulses, or by changes of temperature incalculably less than are now necessary for the management of that comparatively intractable substance. But even if we should still require to use steam, we are persuaded that means will be devised for its generation, or rather for the production and evolution of heat, for that and all other purposes; far less operose, indirect, and precarious than the combustion of coal.

This may probably be effected without any process of combustion at all, either by the great agents of galvanism or electricity already referred to; or by the friction, hammering, or rolling of solid and practically indestructible bodies; or by the chemical combination of different substances; while, if combustion must still be resorted to, might it not be certainly maintained without the tremendous expense of the working and transportation of fuel, by merely contriving a method of burning the inexhaustible, omnipresent, and eternally reproduced element of hydrogen, as it exists in the great ocean, and in all our lakes, rivers, and fountains, and tanks and tubs of rain-water, with the equally omnipresent, and constantly reproduced oxygen of the circumambient atmosphere?

These, we are aware, may now strike many, perhaps most people, as mere Utopian or Laputan fancies; and undoubtedly they are, as yet, but vague and general suggestions. But when we consider how much wilder and more audacious (as less warranted by any analogous experience) similar anticipations of electric telegraphs, phonographic printing, or railway locomotives, must have appeared but fifty years ago, we really cannot consent to put them into such a category; but, on the contrary, confess to a certain feeling, both of pride and of confidence, in thus recording what we can not but consider as a truly prophetic, although it may be but a dim and somewhat indistinct, vision of a good and a glory to come. — *Edinburgh Review*, 1850.

The Usury Law of England. — In August, 1833, the British Parliament abolished the Usury Law, by passing the following act: —

"No bill of exchange or promissory note, payable at or within three months after date, or not having more than three months to run shall, by reason of any interest taken or secured, or any agreement to receive or allow interest, be void; nor shall the liability of any party to any bill be affected, by reason of any statute of usury; nor shall any person taking more than the present rate of legal interest on such bill or note be subject to any penalty or forfeiture, — any thing in any law or statute relating to usury to the contrary notwithstanding." This bill was, some years afterwards, modified so as to apply to all paper not having more than twelve months to mature.

BANK ITEMS.

Vermont. — Martin A. Seymour, Esq., having resigned the cashiership of the Commercial Bank at Burlington, Vermont, was appointed Cashier of the Merchants' Bank of that place on the 1st of May last.

Rhode Island. — The books of subscription to the new "Bank of Commerce," at Providence, were opened on Tuesday, May 20. The capital is $400,000, with privilege of increasing to $1,000,000. After the books were closed, it was found that $1,400,000 had been subscribed. The subscriptions will be reduced ratably.

Connecticut. — There are now twenty-six petitions before the Legislature of Connecticut for the incorporation of new banks, or for additional capital to old ones. The free banking system is also proposed for adoption in that State.

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NEW YORK. — A new bank has been established at Geneseo, Livingston County, entitled, The Genesee Valley Bank, of which James S. Wadsworth, Esq., has been elected President, and William H. Whiting, Esq., the Cashier.

New York City. — William F. Havemeyer, Esq., ex-Mayor of the city of New York, has been elected President of the Bank of North America, in place of John J. Fisk, Esq., resigned on account of continued ill-health.

Bank of the Republic. — A splendid banking-house for the Bank of the Republic has been commenced at the head of Wall Street. This new structure will occupy a front of forty-five feet on Broadway, by seventy feet on Wall Street; and will be quite an ornament to that part of the city.

The Metropolitan Bank. — This new institution, with a subscribed capital of two millions of dollars, commenced business on Wednesday, May 14, at No. 54 Wall Street. The bank will commence receiving New York country money, and New England money, as soon as its entire capital shall have been paid in, which will probably be within two months from this time.

New York Exchange Bank. — A new bank, called the New York Exchange Bank, has been started by Mr. S. Van Duser, at the corner of Greenwich and Dey Streets. There is no body of Directors, but Mr. S. Van Duser is President, or manager of the bank, with Mr. A. S. Van Duser as Vice-President, and D. B. Halsted, Cashier. The bills, which are well secured by State stocks, are at par in the street, and are taken by other city banks. We understand this bank receives uncurrent money on deposit, which can either be redrawn at pleasure in current money at the usual discount, or in uncurrent money.

NEW JERSEY. — Two new banks have been organized, and are now in operation, in Ocean County, under the General Banking Law of New Jersey, — the Ocean Bank, at the Bergen Iron Works, capital $57,000, and the Delaware and Hudson Bank, at Tom's River, capital $64,000; and shortly there will be another, the Union Bank, to be located at Tom's River. The issues of these banks are not, to any considerable extent, to be put into circulation in Ocean County, which has a small population, and comparatively a smaller business. Their circulation, it is stated, chiefly lies in New York City, where they are subject to a discount of one half of one per cent.

Philadelphia. — All the solvent Philadelphia banks, with the exception of the North America and Pennsylvania, which declare at another period, have made their regular semiannual dividends, and the result proves, as we some time since predicted, that they have been most prosperously employed. We give below the capital of each bank, the semiannual dividend made by each for the last two periods, showing the profits of each for the year, and the greater profits realized by bankers over the unchartered money lenders. We also show the market value of each stock, and the amount of dividends.

Banks.	*Capital.*	*Par value.*	*Market value.*	*Dividends.* Nov.	May.	*Dividends in May.*
Southwark,	$250,000	$50.00	$75.00	10	7	$17,500
Kensington,	250,000	50.00	65.00	5	10	25,000
Philadelphia,	1,150,000	100.00	140.00	7	6	69,000
Farmers & Mechanics',	1,250,000	50.00	70.00	10	5	62,500
Mechanics',	800,000	20.00	31.00	6	6	48,000
Western,	500,000	50.00	65.00	7	5	25,000
Northern Liberties,	350,000	35.00	55.00	5	5	17,500
Bank of Commerce,	250,000	50.00	58.00	5	5	12,500
Penn Township,	225,000	22.50	30.00	5	5	11,250
Commercial,	1,000,000	50.00	60.00	4	4	40,000
Manuf and Mechanics',	300,000	25.00	28.00	4	4	12,000
Girard,	1,250,000	12.50	13.00	3	3	37,500
Tradesmen's,	150,000	50 00	52.00	3	3	4,500
	$7,725,000					$382,250

From this it will be seen that the capital of the Southwark Bank has been more

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productive than that of any city bank, and that it is able to divide nearly three times legal interest, after all expenses; the Farmers and Mechanics' and the Kensington have been next, and have each divided two and a half times legal interest, after all expenses. The Philadelphia Bank comes next, and divides over twice the rate of legal interest; the Western and the Mechanics' each divide just double legal interest; and all, save the Girard and Tradesmen's, divide more than legal interest. These are some of the advantages of special privileges. Besides giving easy places at large salaries to a few, it permits those who may be fortunate enough to become a bank owner to receive three times as much interest for his money as it will the great mass of the community, whom it restricts to six per cent. under very severe penalties. And yet we rejoice that we live under equal laws! — *Philadelphia Ledger.*

Small Notes. — A correspondent asks us if the law prohibiting the circulation of small notes of other States makes the receiver of them liable to the fine. We answer, No. The penalty attaches only to those who pass them. It is surprising, that, notwithstanding the many predictions that the prohibited bills would circulate as freely as before the law was passed, and that the penalty could not be enforced, the law has been most religiously observed; such a thing as a foreign bill is scarcely ever offered or seen in circulation. In truth, the great majority of small dealers are rejoiced to be rid of the nuisance. We have heard of but two or three cases in this county in which the penalty has been enforced, and in those there was no difficulty, the parties paying the twenty-five dollars fine, without further litigation, as the cheapest mode of being rid of the trouble. — *Philadelphia Ledger.*

Virginia. — The Exchange Bank of Virginia has established two new branches. One at Salem, Roanoke County. William Watts, President; John B. J. Logan, Cashier. Capital, $100,000. Commenced business, January, 1851. One at Abingdon, Washington County, adjoining the North Carolina and Tennessee lines. D. Trigg, President; Robert R. Preston, Cashier. Capital, $100,000. Commenced business, July, 1849. A branch has been authorized at Lewisburg, but the stock not having been taken, the order for its establishment has been cancelled.

Kentucky. — Books for subscription to the new stock of the Farmers' Bank of Kentucky will be opened in the city of New York; and also for the transfer of shares. To Eastern stockholders the semiannual dividends will be payable also in that city. The present office of W. B. Robbins, Esq., the special agent of the bank, is in Wall Street.

Georgia. — The Bank of Savannah commenced operations a few weeks since, with a capital of $300,000.

Continental Exchange in London. — The English exchange with the Continent is rather worse, which is accounted for by both Bank of England notes and gold being in demand on the Continent, to pay the expenses of the journey of visitors to the Fair. One banking-house in Paris, it is stated in the circular of Messrs. Trueman & Rouse, has opened an account in London, and informed its correspondents that on that account 50,000 different persons might possibly operate. — *London Economist.*

The Bank of England has not raised its rate for the discount of paper, nor is it likely to do so, though money has slightly increased in demand, and its stock of bullion is rather less.

New Books. — *Thoughts on Self-Culture: Addressed to Women.* By Maria G. Grey, and her Sister, Emily Shirreff, Authors of "Passion and Principle," &c. Boston: Crosby and Nichols. The English edition of this work received the highest commendation of the *North British Review* and the *Westminster Review.* It forms an elaborate, sound, and practical treatise on self-education; and a cogent, philosophical essay on the obligations of woman, — her position, influence, and duties. The authors deserve the warmest regards of their own sex, in having furnished a work which must have a salutary effect on education in general, and on the minds especially of those who will give the volume a careful and candid investigation.

The Farmer's Guide to Scientific and Practical Agriculture. By Henry Stephens, F. R. S. E., Author of "The Book of the Farm," assisted by John P. Norton, Pro-

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fessor of Scientific Agriculture in Yale College. Two additional numbers of this valuable series have been lately issued by Messrs. Leonard Scott and Co. The whole work will be completed in July, 1851, comprising 1,600 large octavo pages, with above three hundred engravings on steel and wood. Price of the entire work, $5, or twenty-five cents per No.

The Edinburgh Review, No. 190, April, 1851. Contents: — I. England as it is. II. Salmon Fisheries. III. Southey's Life and Correspondence. IV. Lamanism in Tartary and Thibet. V. Victor Cousin. VI. Spain and Spanish Politics. VII. Shall we retain our Colonies? VIII. The Defeat of Italy. IX. Ultramontane Doubts. Republished by Leonard Scott and Co., New York. Terms: Three dollars per annum.

The London Quarterly Review, No. 176, for April, 1851. Contents: — I. Poultry Literature. II. Women in France — Madame de Maintenon. III. Merivale's Roman History. IV. The Republic in the King's Coaches. V. Sanitary Movement — Centralization. VI. Lives of Calvin. VII. Lord Holland's Reminiscences. VIII. Lord John Russell, Premier. Republished by Messrs. Leonard Scott and Co., Fulton Street, New York.

The Westminster Review, for April. Messrs. Leonard Scott and Co., of New York, have published the last number of this Review, which contains the usual variety of articles. We have "Modern Ballad Writers," "Recent Campaigns in India," "English Mathematical Literature," "Martineau and Atkinson on Man's Nature and Development," "Revolution and Counter Revolution," "Marriage with a Deceased Wife's Sister," "Diplomatic Reform," "Ministerial Crisis," besides the usual number of notices of new works published abroad.

Hunt's Merchants' Magazine, for May. We would commend to the attention of all the leading article in this number, "The Merchant, or the Influence of Commerce," being a publication of the Oration on that subject by Geo. R. Russell, Esq., of Boston. The other articles are, — "Commercial Cities and Towns of the United States, No. 24, San Francisco, California," "The Measure of Value," "Atlantic and Pacific Telegraph," "Trade and Piracy of the Eastern Archipelago," by Gliddon, Consul at Cairo, "Free Trade and Protective Systems," "The Suffolk Bank System of New England," and other articles of mercantile and commercial interest.

Hume, Gibbon, and Macaulay. — New and uniform editions of the histories of these distinguished authors have been issued by Phillips, Sampson, & Co., making together fourteen duodecimo volumes, printed with large type, and on fine paper. Price, bound in cloth, forty cents per volume.

A Practical Treatise on Banking. By James William Gilbart. New York: George P. Putnam. Cincinnati: H. W. Derby & Co. It has become quite customary in this country to consider banking as a sort of mystery, understood only by a favored few, and practised for their own special benefit. Men engaged in any other branch of business are readily admitted to have the privilege of using their own property according to their own notions of right and wrong, and they who make the largest profits are most highly estimated. But the banker appears to be looked upon as an intruder in the business community, and his profits as so much fleeced unjustly from the pockets of his customers. The dealer in iron, in dry goods, in pork, or any other commodity, is at full liberty to take the most exorbitant advances upon his investments, which he can find gullible purchasers to give him, and the more enormous his gains the higher will be his credit; but the unlucky banker who shall be detected in netting more than six per cent. upon his capital is denounced as a ruthless levier of black mail upon an abused and defenceless people.

Perhaps if this subject were looked into, it would be found that professed money-dealers are quite as honorable in their transactions as any other class, and that those who practise money-lending covertly are the most unprincipled of dealers, while in fact they reap none of the odium which falls to the share of the regular banker, or money-broker. Such are some of the prejudices of an enlightened age and a free country.

If those who have been honestly misled on this subject would read the work now before us, they would see that banking has its laws, like any other business; and also, that of all laws, these are among the most rigid. In banking, the risks are great, the margin for profit small; and success depends upon caution, accuracy, vigilance,

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and good faith. The banker must have capital and credit both; he cannot dispense with the one or the other. And he must use both his money and his good name with unceasing care, — practising a discreet economy for his own safety, and a scrupulous fairness to retain the confidence of the public.

The work before us is an admirable treatise on banking in all its minute details, written by one who has been long and intimately conversant with the whole routine of the business. The banker will find it a useful manual, and others will be struck with the systematic exactness which enters into all the details of this profession. Indeed, if we were to be called upon to select a business by the practice of which the mind would be trained to method, to scrupulous fairness, and to plain-dealing, it would be this. And in proof of this proposition we only ask him who doubts it to read this volume. We say *this*, because it is the last, and one of the fullest and clearest treatises we have met with, on the employment of money in banking. We should be glad to see it distributed among our men of business generally, for they would all find in it useful information. — *Western Literary Advertiser.*

Notes on the Money Market.

BOSTON, 26TH MAY, 1851.

Exchange on London, sixty days, 1.10¼ *to* 1.10¾.

THE rates for money in Boston have somewhat improved since our last monthly report. The negotiation of business paper can be made at fully one per cent. less than in April last. We now quote for Boston:

Prime business paper, 4 to 6 months, ...	6½	to 7½	per cent.
Railroad loans, 4 to 6 months, ...	8	to 9	do.
Loans repayable on demand, with collaterals, ...	6	to 7	do.

At New York, capital is more abundant, and the rates for business paper are about one per cent. less than the above quotations. The aggregate loans of their banks are fully one hundred per cent. larger than in Boston, although their capital is only fifty per cent. greater. The ability to extend their discounts arises from heavy deposits by individuals, and from the heavy balances which are allowed to remain to the credit of remote banks and bankers.

We find that these balances, when compared with those held in Boston and Philadelphia, are as follows: —

	Capital.	*Loans.*	*Individual Deposits.*	*Due Banks.*
New York, . . .	$ 31,000,000	$ 71,000,000	$ 38,000,000	$ 18,000,000
Boston, ...	21,700,000	37,000,000	7,600,000	6,300,000
Philadelphia, . .	10,600,000	23,000,000	13,000,000	5,000,000

One singular feature in this exhibit is the small amount of deposits held by the Boston Banks, viz. $ 13,900,000 against $ 56,000,000 in New York city alone. Although Boston is the main depository of the country banks of New England, and is the redeeming point for twenty-six millions of currency at par, yet the deposits held specially for this purpose are probably not more than two millions of dollars, and, at the last annual report, all the specie in the vaults of the Boston banks amounted to less than two and a half millions.

The Suffolk Bank itself, the true centre of the redemption of two hundred and fifty millions of uncurrent money annually at par, and the correspondent of nearly one half the banks in New England, held in September last only $ 2,000,000 of bank deposits, and $ 109,000 of individual deposits; while the Philadelphia Bank alone held foreign balances of $ 1,028,000, and individual deposits of $ 1,300,000.

The rate of exchange on London last week was 10½, the price having been 10¾ for the previous four weeks. Heavy shipments of specie are of course made under these quota-

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tions; the export from New York alone having reached $ 11,000,000 from the 1st of January to this date.

The receipts of gold from California during the same period have been about $ 17,000,000, and the coinage at the United States Mint about $ 11,000,000.

The *London Times* states that American coined gold is taken by the Bank of England at £3 16*s.* 3*d.* per ounce, while the mint price for English gold is £3 17*s.* 10½*d.* per ounce.

Highly satisfactory statements have been made of the financial condition of our Southern and Western States. Maryland is fast liquidating, by means of a sinking fund, its remaining debt of ten millions of dollars. Indiana is now paying the semiannual interest of a large portion of its debt. Virginia has adopted a liberal system of internal improvements and a more extended banking system, whereby four millions of her bonds, or bonds guaranteed by the State, are in the market. Kentucky, too, whose financial condition is as sound as any other State, has chartered several banks and branches, which have commenced operations within a few months past. We recommend to the consideration of Eastern capitalists the prospectus of the new Farmers' Bank of Kentucky, as detailed in another part of this number. The special agent of this bank is now in New York, where books of subscription and of transfer are open.

The legislature of Massachusetts at its late session chartered the following new banks, with an aggregate capital of $ 1,150,000, viz.:—

Hadley Falls Bank, Holyoke,	$ 100,000	Blackstone Bank, Boston,	$ 250,000
Westfield Bank,	100,000	Faneuil Hall Bank, "	500,000
Market Bank, Cambridge,	100,000	Essex Bank, Haverhill,	100,000

And the following banks had additional capital authorized, to the amount of $ 2,150,000 in Boston, and $ 1,735,000 in the country, viz.:—

Boston.

Bank of Commerce,	$ 750,000	Bay State Bank, Lawrence,	$ 200,000
Cochituate Bank,	100,000	Lancaster Bank,	25,000
Granite Bank,	250,000	Lee Bank,	50,000
Freeman's Bank,	50,000	Laighton Bank, Lynn,	50,000
Traders' Bank,	200,000	Prescott Bank, Lowell,	50,000
Exchange Bank,	500,000	Milford Bank,	50,000
Shoe and Leather Dealers',	250,000	Commercial Bank, New Bedford,	200,000
Boylston Bank,	50,000	Marine Bank, " "	200,000
		Merchants' Bank, " "	200,000

Country.

		Agricultural Bank, Pittsfield,	50,000
Adams Bank,	50,000	Worcester Bank,	50,000
Barnstable Bank,	100,000	Quinsigamond Bank, Worcester,	50,000
Tradesman's Bank, Chelsea,	50,000	Mechanics' Bank, "	150,000
Warren Bank, Danvers,	60,000	Rollstone Bank, Fitchburg,	100,000
Fall River Bank,	50,000		

And the following banks have been rechartered:—

Neponset Bank, Canton.	Atlantic Bank, Boston.
Attleborough Bank.	Massachusetts Bank, Boston.

The Cochituate Bank is authorized to change its location to any part of the city not north of Summer Street. Notaries public are authorized by a recent act to administer oaths in all cases in which the same may be done by justices of the peace.

The Free Banking Bill. — The provisions of this bill in its amended shape, and which became a law last week, are as follows, viz.:—

Section I. Any number of persons, not less than fifty, may become a body corporate for banking purposes, subject to all the duties, liabilities, and restrictions to which the existing banks are now liable. The stock not to be less than $ 100,000, nor more than $ 1,000,000.

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II. The stock of banks hereby authorized by this law shall be divided into shares of one hundred dollars. One half the capital must be paid in before the commencement of operations, and the whole within one year thereafter.

III. Before the commencement of operations, a certificate shall be filed in the office of the secretary of the Commonwealth, signed by the president and directors, stating, — 1. The corporate name of the bank. 2. The name of town or city where located. 3. The amount of its capital stock. 4. The names and residence of the stockholders and the number of shares held by each. 5. When the bank is to go into operation. No bank to assume the name of any preëxisting bank.

IV. The capital stock may be increased at a subsequent date, by a vote of three fourths of the stockholders; the same proceedings shall be had as in the first instance.

V. Such bank shall carry on the business of banking at its own banking-house, but not elsewhere, and may pay dividends semiannually. If any bank neglect to carry on the business of banking, a forfeiture of privileges shall follow.

VI. The auditor of State is authorized and required to procure the engraving and printing of circulating notes of such denominations as previously allowed, — all such notes to be registered, numbered, and countersigned by the auditor, before delivery.

VII. Banks authorized by this law may transfer to the auditor, at a rate not above its par value nor above its market value, any public stock issued by any city or town in this Commonwealth; or by either of the New England States, the State of New York, or by the United States; and receive therefor an equal amount of circulating notes.

VIII. The auditor is authorized to exchange any such stocks for others deposited by the bank, provided the security be equally good; and the amount of circulation not reduced below fifty thousand dollars.

IX. The auditor is authorized to deliver to bankers, under this act, powers of attorney to receive interest or dividends on their stocks held by him. Such power to be revoked whenever occasion may require it.

X. Such bank is authorized to loan and circulate such notes according to the ordinary course of banking.

XI. In case of failure to pay such notes on presentation, they may be protested; and if not redeemed within ten days after notice, the auditor is authorized to give public notice thereof, and that they will be redeemed out of trust funds in his hands.

XII. Banks established under this law are restricted in the amount of circulation to the same limit as the old institution, viz. twenty-five per cent. beyond their capital.

XIII. All plates, dies, and materials for printing such circulating notes, to remain in the custody of the Auditor of State.

XIV. The auditor to be liable to a fine of five thousand dollars, or imprisonment not less than five years, if he permit circulating notes to be issued to any bank beyond its collateral stocks.

XV. Each bank established under this act, shall, in addition to the ordinary returns required by law, specify the stocks deposited with the comptroller for its circulation.

XVI. The secretary of the Commonwealth is authorized to prepare separate abstracts for the banks established under this act.

XVII. The bank commissioners shall have the same power over the banks established by this act as over chartered banks; and they are required to examine the certificates of stock held by the auditor in trust for such banks.

XVIII. Whenever any free bank shall return to the auditor ninety per cent. of the bank-notes received from him, and shall deposit funds for the balance, the auditor may return to this bank all stocks previously received from it.

XIX. Free banks that relinquish business must give six years' notice that "its circulating notes must be presented to the auditor for payment within six years after the issue of such notice."

XX. The justices of the Supreme Court are authorized to adopt proceedings against free banks, similar to those against chartered banks, whenever the court may deem it necessary.

XXI. Whenever any bank shall be placed in the hands of agents or receivers for liquida-

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tion, by the Supreme Judicial Court, the auditor shall transfer to such agent all stocks or moneys held by him in trust for such bank.

XXII. This act may be amended or repealed at the pleasure of the legislature.

The material features which distinguish this law from that of New York are, — 1st. Security to note-holders. 2d. Security to depositors. 3d. A fixed locality for banking purposes.

In New York the depositor and note-holder have no recourse upon the banker in case of failure; — they must look to the collateral securities, and these have, in general instances of bankruptcy, caused a loss of about twenty-five per cent. to the note-holders alone.

But by the Massachusetts system, the new *free banks* (as they are called) will be subject to the following *general laws* of the Commonwealth.

1. Every bank is subject to the investigation of a legislative committee and to that of the Board of Bank Commissioners.

2. The stockholders of a bank are liable, in their individual property, for the redemption of its bills in case of its failure or inability to pay.

3. No person shall hold, directly or indirectly, more than half the capital stock.

4. Stockholders are liable in their individual property for the loss of capital sustained by the bank, and may be compelled to contribute in order to reinstate such capital.

These regulations have a conservative influence in maintaining a certain respectability of character among bank stockholders, directors, and managers. *Men of straw* cannot obtain, as bankers, that degree of credit which is essential to legitimate banking institutions; nor can they, in this community, and under our laws, force a circulation among the people, unless it has a proper basis, and be subject to the checks and control of something like the Suffolk Bank system.

The importations from abroad have far exceeded the increased business or the wants of the country. We enumerate some of the leading features of the custom-house to demonstrate this: —

Imports at New York, January and February, 1849, 1850, 1851.

	Specie.	*Free.*	*Dutiable.*	*Total.*
1849,	$ 79,000	$ 810,000	$ 16,000,000	$ 16,980,000
1850,	1,115,000	1,100,000	19,170,000	21,285,000
1851,	2,853,000	2,146,000	23,174,000	28,178,000

Imports at Boston, 1850, 1851.

	Specie.	*Free.*	*Dutiable.*	*Total.*
Year 1850,	$ 493,000	$ 1,417,000	$ 29,998,000	$ 29,009,000
3 mos. 1851,	62,000	445,500	8,759,000	9,266,000

Equivalent to $ 36,000,000 for 1851, against $ 29,000,000 for 1850. The business at Charleston, New Orleans, Philadelphia, and other cities, exhibits a similar inflation, and indicates beyond question that we are, and have been for a year past, assuming a heavy debt to Europe, which must be largely paid for in coin.

The quoted rates of exchange between England and the Continent for the last nine months have been as follows, for bills at three months' date.

	Paris on London.	*London on Paris.*	*Premium on Gold.*
July 26, 1850,	F. 25.27c. per £.	£ 25.65 per £.	F. 9 per mille.
Dec. 21, "	" 24.77 "	25.12 "	par.
Feb. 8, 1851,	" 24.80 "	25.17 "	3 discount.
Mar. 8, "	" 24.87½ "	25.30 "	3 "
" 22, "	" 24.77½ "	25.22½ "	3 "

	Hamburg on London.	*London on Hamburg.*	*Gold dearer in Paris.*
July 26, 1850,	13.7¾ per £.	13.11 per £.	.11
Dec. 21, "	13.0¼ "	13.4 "	1.00
Feb. 8, 1351,	13.2¾ "	13.6¾ "	.50
Mar. 8, "	13.3¾ "	13.7½ "	.30
" 22, "	13.4 "	13.7½ "	.30

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The current rate of discount on prime business paper is three per cent. per annum. Consols (three per cent.) are firm at 97¼ to 97½; and Bank of England stock remains at 214½ to 215 per cent. This stock pays about eight per cent. dividend annually. It seems somewhat remarkable that capital is yet so abundant at three per cent. in Great Britain, when it can be loaned upon unquestioned American securities at seven or eight per cent. There are many persons, however, who are better satisfied with three per cent. at home than with six per cent. abroad. The English railway market has not recovered fully from the shock sustained in 1847–8, and there is no better feeling towards such investments in that country. Nearly all their railway shares are below par, viz.: —

	Per Share paid in.	1851. *Feb.* 24.	1851. *March* 27.
Caledonian,	£50	11⅜	14½
Eastern Counties,	20	6¼	7¼
Great Northern,	24	18	13¼
Great Western,	100	91	88
Hull and Selby,	50	104	..
London and Blackwall,	13¼	7⅞	8¼
London and Brighton,	100	98	95
London and Northwest,	100	133¼	129
London and Southwest,	100	90	88½
Midland,	100	61½	63½
North British,	25	9⅜	10
Southeastern,	33⅓	26¼	28
York and Berwick,	25	20⅝	21½
York and North Midland,	50	24⅜	24

DEATHS.

At Elizabethtown, N. J., in April last, James Crane, Esq., Cashier of the State Bank, Elizabethtown.

At South Berwick, on the 15th of April last, Hon. William A. Hayes, in the 67th year of his age, President of the South Berwick Bank.

At New Orleans, on the 13th of January last, Beverly Chew, Esq., aged 78 years, for many years Cashier of the New Orleans Canal and Banking Company.

At Williamsport, Md., on the 5th of May, John R. Dall, Esq., for many years Cashier of the Washington County Bank, Williamsport.

At Philadelphia, in April last, William Patton, Jr., Esq., for many years Cashier of the Farmers and Mechanics' Bank of Philadelphia, until the year 1846.

At Watertown, Jefferson County, New York, on the 6th of April last, Orville Hungerford, Esq., aged 60 years. Mr. Hungerford was Cashier of the Jefferson County Bank in 1832, and afterwards President. At a subsequent period he established Hungerford's Bank, at Adams, Jefferson County; and at the time of his death was President of the Watertown and Rome Railroad Company.

END OF THE FIFTH VOLUME.

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